

ASSESSING PROSPECTS FOR ADEQUATE SERVICE DELIVERY IN A RURAL SOUTH AFRICAN MUNICIPALITY

A case study of Engcobo Municipality

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Declaration

I, the undersigned, hereby declare that the work contained in this assignment is my own original work and that I have not previously in its entirety or in part submitted it at any university for a degree.

Signature:

Date: 21 November 2003

ABSTRACT

This research analyses traditional public sector delivery impediments and the resultant reforms which have emanated from these impediments, how the reforms have been implemented in the developed and developing countries and the challenges facing rural local government structures, which must implement alternative service delivery mechanisms at the grassroots level in South Africa.

The research further explores external and internal issues affecting public service delivery in general, and then concludes by exploring the local government and rural development realities in South Africa. The developmental divide between developed and developing countries is increasing for various reasons, among them, the public management reforms that have enhanced performance in developed countries, but cannot do the same in developing countries due to the overwhelming constraints. Developing countries experience constraints which include vague definitions of what performance entails in a developing context, unresponsive organisational cultures, unclear performance indicators, a resilient ethos of governance, unfavourable organisational factors, incorrect use of resources and unsuccessful policy initiatives.

A literature review has shown that ideological contradictions, lack of a common vision and policy process constraints are also hampering South African public sector service delivery processes. Although local government legislation and reforms have freed municipalities from many impediments to improve delivery, the huge service backlog, infrastructure neglect, lack of integration with other spheres of government, lack of capacity, the impact of HIV/AIDS and the culture of non-payment are still eroding that ability, especially in rural areas. In addition, rural areas have even greater levels of underdevelopment, poverty and service backlogs and consequently municipal structures in deep rural areas carry less legitimacy.

The ethnographic research chapter focuses on a rural municipality in South Africa, Engcobo, and on how effectively it will be able to deliver the required municipal services in the absence of resources and amid a culture of non-payment for services, a huge unemployment rate and escalating HIV/AIDS in the area. Local economic development will be hard to realise because the municipality faces the constraints of finance, the

prevalence of HIV/AIDS, lack of institutional skills and inadequate infrastructure to foster and drive developmental local government.

The premise, that such a municipality cannot deliver the expanded local government designated services while it faces the above internal constraints and external ones that emanate from the traditional public sector context, the global economic set up and the South Africa national government constraints, is qualified in this research. Amid the magnitude of the service backlogs, delivering the basic services in Engcobo Municipality will require sustainable funds and skills currently lacking. Engcobo Municipality does not have the required capacity to deliver the designated services for local government and neither will this capacity be built up in the short term.

A number of recommendations for improving on the prospects are nevertheless made. These recommendations focus on institutional development and capacity building, improving financial viability, harnessing profit in service delivery, public participation, partnership arrangements, dealing with HIV/AIDS, infrastructure development as well as waste and environmental management.

OPSOMMING

Hierdie navorsing analiseer die tradisionele hindernisse vir openbare sektor dienslewering en die hervormings wat daaruit voortspruit, hoe die hervormings uitgevoer is in ontwikkelde en ontwikkelende lande en die uitdagings van landelike plaaslike regeringsstrukture wat die implimentering van alternatiewe diensleweringse meganismes op voetsoolvlak in Suid Afrika in die gesig staar.

Die navorsing ondersoek verder die eksterne en interne aspekte wat openbare sektor dienslewering oor die algemeen beïnvloed, en ondersoek dan plaaslike regering en landelik ontwikkelingsrealiteite. Die ontwikkelings skeiding tussen ontwikkelde en ontwikkelende lande vergroot vir verskeie redes, insluitend die openbare bestuurshervormings wat prestasie in ontwikkelde lande verbeter het, maar wat nie dieselfde doen in ontwikkelende lande nie, weens oorweldigende beperkings. Ontwikkelende lande ondervind beperkings wat vae definisies oor wat prestasie in 'n ontwikkelende konteks behels, insluit, onresponsiewe organisatoriese kulture, onduidelike prestasie-indikatore, 'n elastiese karakter van regeerkunde, ongunstige organisatoriese faktore, verkeerde gebruik van hulpbronne en onsuksesvolle beleidsinisiatiewe.

'n Literatuuroorsig het getoon dat ideologiese teenstrydighede, gebrek aan 'n gemeenskaplike visie en beleidsproses beperkinge ook Suid Afrikaanse openbare sektor diensleweringse prosesse aan bande lê. Alhoewel die wetgewing oor plaaslike regering en hervormings munisipaliteite bevry het van baie hindernisse om lewering te verbeter, veroorsaak die enorme diensagterstand, die verwaarlosing van die infrastruktuur, die gebrek aan integrasie met ander sferes van regering, die gebrek aan kapasiteit, die impak van HIV/VIGS en die kultuur van nie-betaling nog steeds dat diensleweringse vermoë aangetas word, veral in die landelike gebiede. Boonop, het landelike gebiede nog groter vlakke van onderontwikkeling, armoede en diensagterstande en dus geniet munisipale strukture in diep landelike gebiede minder legitimiteit.

Die etnografiese navorsingshoofstuk fokus op 'n landelike munisipaliteit in Suid Afrika, Engcobo, en hoe effektief die munisipaliteit in staat is om verlangde munisipale dienste te

lewer te midde van die afwesigheid van hulpbronne en te midde van 'n kultuur van nie-betaling vir dienste, enorme werkloosheid en stygende HIV/VIGS in die area. Plaaslike ekonomiese ontwikkeling sal moeilik wees om te realiseer omdat die munisipaliteit die beperkinge van onvoldoende fondse, HIV/VIGS, 'n gebrek aan institusionele bekwaamhede en 'n onvoldoende infrastruktuur om ontwikkelende plaaslike regering te bevorder en te bestuur, in die gesig staar.

Die premis dat so 'n munisipaliteit nie die aangewese uitgebreide plaaslike regeringsdienste kan lewer terwyl dit die interne gedwongendhede en eksterne beperkinge voortspruitend uit die konteks van 'n tradisionele openbare sektor, die globale ekonomiese opset en die gedwongendhede van die Suid Afrikaanse nasionale regering in die gesig staar nie, word met hierdie navorsing gekwalifiseer. Te midde van die omvang van diensagterstande, sal die lewering van basiese dienste in Engcobo Munisipaliteit genoegsame fondse en vaardighede wat tans ontbreek, benodig. Engcobo Munisipaliteit het nie die vereiste kapasiteit om die aangewese dienste vir plaaslike regering te lewer nie en ewemin sal hierdie kapasiteit oor die korttermyn opgebou word.

'n Aantal aanbevelings ter verbetering van die vooruitsigte word nietemin gemaak. Hierdie aanbevelings fokus op institusionele ontwikkeling en kapasiteitsbou, verbetering van finansiële lewensvatbaarheid, aanwending van die winsmotief in dienslewering, publieke deelname, vennootskapsreëlings, hantering van MIV/VIGS, infrastruktuur ontwikkeling sowel as afval en omgewingsbestuur.

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CHAPTER 1

INTRODUCTION

1.1. BACKGROUND

Public sector service delivery has often been accused of taking place through mechanisms, structures and tools that have been impeding effective, efficient and economic public service production and delivery. The constraints of public sector service delivery were articulated at the May 2001 Commonwealth Association for Public Administration and Management Conference in United Kingdom. The need to match pay and performance and ensure value service delivery, the need to harness new opportunities offered by information technology, changing public services to be customer and need based, changing unresponsive transcending structures, embracing working partnerships and the need to lever public sector delivery for global competition were identified as solutions to these delivery problems (Hickey, S. <http://www.capam.uk/>.2001).

Public sector service delivery concerns have triggered major global, state-driven reforms. The changing role of the state involves re-thinking the objectives of government by considering the changing needs of the people. Governments are thus... “analysing their existing policies, advocating public policies which contribute towards the improved quality of life for all, analysing the structures established for executing the public business, experimenting with structures which will enhance societal development, becoming more public-and more client-oriented” (Marini *et al* quoted by Thornhill & Hanekom, 1995:17). Global public sector reforms centre on “... making savings in public expenditure, improving the quality of public services, making operations of government more efficient and increasing the chances that the policies which are chosen and implemented will be effective” (Pollitt & Bouckaert, 2000:6). South African policy makers are trying to implement these reforms in service delivery at national, provincial and local government levels.

Although the South African Government is articulating the new public sector management reforms in different documents, including the White Paper for Transforming Public Service Delivery (Department of Public Service and

Administration, 1997) and the framework for restructuring public entities, the government has failed to deliver the efficient, effective and economic public services stipulated by the legislative provisions at national and provincial levels. The Provincial Review of 1998, The Centre for Development and Enterprise (CDE) public service research commissioned in 1997/1998/1999 by President Nelson Mandela, and the 1999/2000 Public Review reports, revealed this failure. This has transmitted into a non-realisation of the goals, objectives and action plans set for service delivery.

National public sector delivery shortcomings in South Africa are compounded by an unrealised economic growth required to foster employment and economic development and a lack of a sustainable and legitimately shared economic strategy within the governing tripartite alliance. The economy is not restructured and still in the hands of a small minority. There is a big disparity between rural and urban development levels. Furthermore, the skilled labour force plunder by the developed countries and the growing prevalence of HIV/AIDS is continuing to erode the competence base required for economic development.

The public sector failings in South Africa as set out above provide a real challenge for future service delivery, especially in local government. Local government being at the grassroots level is the best arm of government to foster self- and local development; and at the same time through its sectoral development initiatives monitor and put pressure on the provincial and national development projects that are targeted for any one region/municipal area. Sectoral development initiatives are scheduled to alert national and provincial development agencies of areas that have been neglected by those agencies. Effective, efficient and economic local government delivery is likely to be impeded by unresolved traditional power problems between the different spheres and units of government involved in service delivery in the same geographical area, internal problems in municipalities and defective local policy systems. In addition, rural municipalities experience an additional set of constraints. The municipalities lack the basic infrastructure to deliver the designated services, experience problems in attracting capital and the required managerial skills, have a culture of non-payment for services, are plagued by unemployment, lack

basic sanitation and waste management facilities and have operations that are grossly affected by the unsolved traditional rural authority issues.

1.2. RESEARCH QUESTION

The research attempts to ascertain whether the rural municipality in Engcobo, faced with all these challenges, can deliver services equitably by addressing the service backlog, form a resource base for its operations and manage the increased role of developmental local government required of municipalities.

1.3. PREMISE

The research attempts to ascertain whether Engcobo Municipality has the required resources, mechanisms, structures, processes and procedures, managerial capacity and competence, as well as national and provincial institutional backup necessary for a co-ordinated intergovernmental service delivery. A premise to this paper is that the answer is no, and that it would be a policy overload to expect such a municipality to deliver the designated legislative services if no delivery capacity is created to empower local government structures. Unless the necessary institutional mechanisms and structures, efficient and effective processes and procedures, managerial capacity and skills to efficiently harness the tangible and intangible resources towards efficient, effective and economic service delivery, and developmental local government cannot be realised.

1.4. RESEARCH METHODOLOGY

The research methodology involved a comparative literature review of global public sector reforms and an ethnographic case study of Engcobo Municipality. The global public sector literature review centres on issues affecting service delivery in the developed and developing countries in general and South Africa in particular. An ethnographic case study was done of Engcobo Municipality. Information has been collected by utilising the Integrated Development Plan and by means of a semi-structured interview with the Chief Executive Officer. Data was also collected by observing the developments in Engcobo.

1.5. SUMMARY OF CONTENTS

Chapter 2 is providing a literature review of global public sector reforms, focusing on external and internal factors which are impeding public sector delivery in South Africa, and the local government service delivery initiative.

Chapter 3 explains the ethnographic research conducted in Engcobo Municipality. The research aims to ascertain whether the local government in Engcobo has the capacity or the potential to develop the capacity to make its residents realise developmental local government.

Chapter 4 outlines the research findings, interpretation of these findings and recommendations.

Chapter 5 concludes the research. The developmental role, not traditionally associated with local government, together with the huge service backlog amid lack of financial resources, institutional structures, human capital and other resources, are a heavy burden for Engcobo Municipality. The municipality however, has to get on with competitive service delivery initiatives bearing in mind its current capacity. Only time will tell if the municipal structures can efficiently, effectively and economically deliver the services designated to them, given the constraints they face.

CHAPTER 2 LITERATURE REVIEW

2.1 INTRODUCTION

The delivery of services and goods by municipalities in South Africa takes place within structures and frameworks that have been impeding efficient delivery of services, as was alleged in the first chapter. The ultimate aim of municipal service delivery in South Africa is sustainable development, as stated categorically in all relevant policy expressions. According to Fitzgerald, McLennan & Munslow (1997: 3), sustainable development goes beyond merely achieving economic growth to improving the quality of economic growth, by “ensuring that peoples’ basic needs are met, that the resource base is conserved, that there is a sustainable population level, that environment and cross-sectoral concerns are integrated into decision-making processes and that communities are empowered.” The purpose of this chapter is to explore the theoretical framework demarcating and informing the notions of service delivery for sustainable development. First, a macro perspective regarding external issues affecting service delivery is provided, before the focus is shifted to internal governance issues that may impact on service delivery for sustainable development, while finally local government and rural development issues in South Africa are highlighted.

2.2. EXTERNAL ISSUES AFFECTING SERVICE DELIVERY

The broadest possible perspective on issues affecting service delivery for sustainable development must start with exploring global relationships. The developmental divide starts with the distinction between developed states – i.e. these Western industrial democracies with relatively free enterprise-based economies as well as Japan (Cloete in Cloete & Wissink, 2000:78) – and developing or less developed countries in the Africa, Latin American and Asian continents. Estimates are that although the less developed countries comprise 75% of the world’s population, they produce only about 20% of the world’s wealth (Barke & O’Hare in Cloete & Wissink, 2000:79). Competing explanations for the developmental divide include, modernisation theories which blame primary systematic social, political, and cultural factors; economic development theories blaming ineffective economic planning

systems of governance in lesser developed countries; Marxist underdevelopment and dependency theories blaming economic exploitation of former colonies by capitalist colonial masters and political and administrative governance theories blaming bad government practices (Cloete in Cloete & Wissink, 2000:79). These issues are further explored in the subsections below.

2.2.1. FIRST WORLD REALITY

Cloete (Cloete & Wissink, 2000:81-83) identifies three policy-related developmental variables differentiating developed countries from lesser developed or developing countries. These include socio-cultural, socio-political and socio-economic variables. Socio-cultural characteristics of developed countries include a highly literate, educated, older, more individualistic, mature and experienced population, advanced knowledge, experience, technology and resource endowments, greater equality (gender, racial, ethnic, and religious), low or sometimes negative population growth, and well developed infrastructure and facilities.

Socio-political characteristics include a stable, democratic political system with well organised and mobilised interest groups that pressurise the governments to undertake beneficial policy decisions. "Relatively stable public policies have developed over time which cause only incremental policy changes within a regime and do not necessitate dramatic policy changes, unless they are the result of changes to the democratic regime... Stable and relatively effective service delivery systems have developed over time, supported by relatively good and effective infrastructures, technology and information systems to determine needs, policy design remedies, implement them, monitor impacts and revise inappropriate policies" (Cloete in Cloete & Wissink, 2000:81-83).

Socio-economic characteristics include a higher income per capita and reduced level of dependency on foreign donors, higher levels of employment and economic development, a smaller gap between the poor and rich, more equitably distributed resources, more developed economies based on secondary production (manufacturing, service activities), while agricultural, raw materials and minerals production have declined as a percentage of GDP, a well developed infrastructure network transcending beyond urban areas to rural and an individual freehold property

rights tenure system stimulating economic development initiatives (Cloete in Cloete & Wissink, 2000:81-83).

The developmental divide between the developed and developing countries is increasing day by day and divide issues range from these mentioned above, to the digital divide, and also to public management initiatives and advances. Pollitt and Bouckaert (2000:6), viewed the reforms in developed countries as “means to multiple ends”, including savings (economies) in public expenditure, improving the quality of public services, making the operations of government more efficient and increasing the chances that the policies which are chosen and implemented will be effective. While achieving these objectives the public management reforms also serve intermediate ends including “...strengthening the control of politicians over the bureaucracy, freeing public officials from bureaucratic constraints which inhibit opportunities to procedures, manage and enhance the government’s accountability to the legislature and the citizenry for its policies and programmes” (Pollitt and Bouckaert, 2000:6).

The public management reform benefits include increased symbolic legitimacy. Through the use of New Public Management applications such as Organisational Re-engineering and Total Quality Management, processes and systems have improved, and legitimacy has increased. Organisational re-engineering involves organising, assessing, reviewing, evaluating, improving and breaking away from outdated processes, policies, technologies, principles and structures impeding better performance and organisational operation. “Organisational transformation and process re-engineering effort can be seen as the continuous rethinking, assessment, evaluation, redesign and improvement of structures, work processes, elements, procedures, technologies, management systems, right-sizing and core competencies to achieve competitive performance” (Edosomwan, 1996:2). Organisational restructuring in developed countries has evolved around issues of “public choice theory, professional management and democratic administration” (Fitzgerald, McLennan & Munslow, 1997:18).

Most of the developing countries on the other hand have not been able to harness and implement the public management reforms because of the constraints below.

2.2.2. THE DEVELOPING COUNTRY REALITY

In contrast to the above mentioned improvements in the public sectors of developed countries, developing countries are characterised by huge and clumsy public organisations crowding out the private sector. In a World Bank Survey, public organisations in the developing world developed into huge organisations after independence, effectively crowding out the private sector in product and service markets, which has over time resulted into heavy losses and budget deficits. Their share in economic activity correlates negatively with economic development services (World Bank, 1995:96-97). The private sectors, with their longstanding re-engineering successes, have an important role to play in development initiatives, but are denied that role by the wasteful public sectors.

Picard & Garrity (quoted in Fitzgerald, McLennan & Munslow, 1997:71), identify the huge civil service burden as a serious development constraint in developing countries. The civil service burden in Africa, having been created through patrociantism, has grown by 7% annually since 1960, with African government wage earners making up 60% of total wage earners. Of the total government revenue, 80% goes towards civil service salaries and in the absence of revenue, money is borrowed to finance this wage bill.

The public sector ethics and values in the developing world are not ideally suited for organisational transformation and re-engineering necessary for the sectors to become competitive. Leadership vision is usually not shared. Customers and suppliers and process owners are not properly identified, resulting in a lack of input from customers and suppliers, process owners, employees and sometimes unions. This in turn leads to poor performance, which is normally not assessed by external assessors anyway.

Developing countries are therefore characterised by performance of the public sectors not being measured as a guiding factor for improving delivery and emphasis is usually placed on incremental budget input, rather than output and outcomes, because the norms for acceptable goods and services in the public sector are too vaguely defined (Hilliard, 1995:4). Besides the scarcity of performance measures,

internationally accepted performance dimensions for measuring efficiency, effectiveness and economy are also vaguely defined and not quantified and qualified in the developing world. According to Carter *et al* (quoted by Hilliard, 1995:4-8), other constraints include, unresponsive organisational culture, unclear performance indicators, resilient ethos of government, unfavourable internal organisational factors, incorrect utilisation of human and other resources and failure to measure productivity. Post-independence African national plans in most countries have tended to be over-optimistic while performance falls well below the target levels. Development in these nations has been on a downward spiral since independence.

Public services are allocated within specific public policy initiatives. One of the major constraints to effective, efficient and economic public service delivery in less developed countries is the public policy process. Cloete's (Cloete & Wissink 2000:83-91), three variables discussed in the previous subsection, namely socio-cultural, socio-political and socio-economic variables, negatively reflect the policy process in less developed countries.

Socio-cultural variables in less developed countries include "large numbers of illiterate, poorly educated people", the majority of whom are young and immature (Cloete in Cloete & Wissink, 2000:83), primitive means of transport, while citizens "manifest low levels of self-esteem and a lack of self-confidence in their knowledge, experience, technology and resources, compared with members of more developed societies" (Todaro quoted in Cloete & Wissink, 2000:83-91). Citizens have short life expectancy, with high infant mortality and poor health services barely coping with high population rates. "Large numbers of people still live in primitive conditions in rural areas, where they eke out an existence, barely surviving from day to day" (Cloete in Cloete & Wissink, 2000:83). Lack of proper communication infrastructure and services isolate large areas of the country and render it inaccessible. In extreme cases, "Governments cannot provide for even the most basic needs of their citizens" (Cloete in Cloete & Wissink, 2000:83).

Socio-political variables include:

- Governments facing huge demands and a much bigger gap between expectation and fulfilment than experienced in developed countries, due to an

overload of many pressing issues, hard-to-analyse interdependencies between different decision agenda items, harsh domestic political constraints and overriding economic scarcities, lack of reliable ideas and theories to serve as compasses to steer momentous choices (Dror, quoted in Cloete & Wissink, 2000:84).

- A suppressed civil society and assessment for demands not depending on pressures from competing interest groups.
- A lack of infrastructure, expertise, trained manpower and other resources for development constrains the policy process.
- Chronic political instability, with a tendency towards bureaucratic-authoritarian rule is causing “politics of survival” (Saassa quoted in Cloete & Wissink, 2000:84).
- Sudden policy announcements without interest group and mass consultation.
- “Authoritarian repression by a few elites who monopolise power for their own benefit” (Cloete in Cloete & Wissink, 2000:84).
- Participatory policy planning, where followed, has vague guidelines for action which is often not adhered to after policy plans are announced.
- Lack of sufficient information deters policy planning, evaluation and decision-making.
- Complex macro-policy changes that are associated with regime changes rather than being ongoing and incremental policy improvements are aimed at depriving powerful interest groups of their privileges. Since these require changes in attitudes and behaviour, they are resisted by these interest groups and cannot be effectively implemented.
- Repeated policy failure due to lack of implementation capacity “... attributed to poor design, a lack of various resources (expertise, a trained labour force, basic infrastructure, finances), target group and other political opposition and a weak or corrupt bureaucracy” (Cloete in Cloete & Wissink, 2000:84).
- “Lack of reliable baseline and other data hinders accurate feasibility studies, ongoing monitoring of progress and evaluation of impact of policies on target groups concerned” (Sloan, quoted in Cloete & Wissink, 2000:85).
- Low technological development levels hinder policy success assessment.

Socio-economic variables include;

- Low per capita income economies based on subsistence agriculture, mineral extraction and production industries. According to Barke & O'Hare (quoted in Cloete & Wissink, 2000:85), this is enhanced by low productivity and primitive technology.
- A big gap between the poor and the rich, inequity in resource distribution, and high poverty levels, unemployment and family dependency burdens.
- According to Todaro (quoted in Cloete & Wissink, 2000:85), high international debt reduces governments' autonomous decision-making, subjecting it to interference and prescriptions from international aid agencies.
- Barke & O'Hare (quoted in Cloete & Wissink 2000:85), identify collective and/or feudal land tenure systems which obstruct economic growth and development.

Most of post-colonial Africa has been plagued by massive policy implementation failures due to lack of viable institutions of governance, lack of management and planning skills, lack of understanding of the interconnectedness between patterns of good governance and development and reliance on policy implementation on an elitist, centralised public service with little concern for ethics. These developments coupled with huge demands for quick service delivery unmatched to the available resources, have rendered policy after policy implementation in most African states unrealisable. Horowitz (quoted in Fitzgerald, McLennan & Munslow, 1997:63), claims that "third world policy is flawed and therefore destructive because it is based on an authoritarian political culture and an insecurity which defies the cult of personality of many African state leaders. In this authoritarian environment, decisions are made on the basis of emotion and without information analysis."

South Africa suffers from the above symptoms in a varying degree. The negative impact is however counteracted by the presence of a strong First World component in the local economy. The negative attributes nevertheless call for a need for "centrally directed societal transformations, or top-down reforms, deliberately countered by explicit decentralisation policies" (Saassa in Cloete & Wissink, 2000:84). Cloete in (Cloete & Wissink, 84-86) identifies South Africa's problems

associated with Third World characteristics as having been aggravated by international sanctions and exclusion as a result of apartheid, boycotts and disinvestments which although intended to achieve political pressure, obstructed the government's capacity to elevate the life of lower class communities because of a lack of sufficient economic growth and available capital to achieve these objectives.

The post-apartheid government in South Africa needs to formulate service delivery policies, bearing in mind the above policy process constraints. In addition, South Africa has other constraints that impede efficient service delivery, as explored in the following subsection.

2.2.3. ECONOMIC POLICY AND INTERGOVERNMENTAL RELATIONS IN SOUTH AFRICA

In South Africa, public sector reforms towards gaining the competitiveness amongst governments worldwide are also required to drive the public sector towards a greater service orientation. These have been acknowledged and articulated in various public sector policies. The 1997 White Paper on Transforming Public Service Delivery (Batho Pele) is a particular case in point (Republic of South Africa, Department of Public Service and Administration, 1997). This policy is intended to instil a particular service ethos in all spheres of government. However, in practice, very little of this new ethos is experienced by the public. Developing a particular service ethos is, however, meaningless without adequate resources to deliver services. While the government faces huge expectations and demands from the massive poor electorate, it also faces resource constraints and the need to avoid falling into debt to meet these demands.

The Reconstruction and Development Programme (RDP) White Paper, as part of the 1994 election manifesto for the ANC, relied on six basic principles. These included "a people-driven process that aims to provide peace and security for all, build the nation, link reconstruction and development and deepen democracy. Five key themes emanating from the principles included, meeting basic needs; developing human resources; building the economy; democratising the state and society; and implementation" (Fitzgerald, McLennan & Munslow, 1997:42). The RDP was concerned with growth and development, pre-conditions for reconstruction and redistribution. The National Institute for Economic Policy (NIEP), an ANC-aligned

think tank that received submissions from the Congress of South African Trade Unions (COSATU), the National Education Co-ordination Committee (NECC), and the South African Communist Party (SACP), advocated a “demand-led rather than supply-side economic policy.” (Fitzgerald, McLennan & Munslow, 1997:45). The RDP, created in the presence of weak institutional mechanisms not supportive of effective implementation, coupled with wrong timing (it was introduced at a time when the new government was still strengthening its hold on power), was reduced to a policy on paper. According to Fitzgerald, McLennan & Munslow (1997:15-16), the RDP lacked strategic planning and management. Setting up an RDP office and fund and combining with this a group of Presidential Lead Projects was an insufficient mechanism to engineer sustainable institutional change. COSATU and the SACP also complained that the RDP policy was produced without a proper process being put in place for consultation (Business Day quoted in Fitzgerald, McLennan & Munslow, 1997:45).

In addition, after two years of very few visible RDP results, the Growth, Employment and Redistribution (GEAR) macro-economic strategy was introduced, and although not intended to replace the RDP, its impact was experienced as a serious contradiction of the RDP. It reflected a global economic paradigm whose main themes include fiscal and monetary discipline, increasing public and private investments, pursuing a stable exchange rate, reducing tariffs and encouraging a strategy of export-led growth. GEAR’s embodying principles include “a competitive, fast growing economy for creating jobs, the redistribution of income and opportunities favouring the poor, health, education and other services being available to all and an environment in which homes are secure and the workplace productive” (Fitzgerald, McLennan & Munslow, 1997:49).

GEAR was seen as reflective of the ideological and economic contradictions within the governing tripartite alliance, as a fast-growing economy is not necessary compatible with job-creation and even less a means for redistribution of income favouring the poor and the huge expenditure required to ensure sound and equitably distributed health, education and other services. Gear attempts to create a facilitating environment for international competitiveness. Major sought after environmental transformations include a competitive platform for expansion by the

tradable goods sector, a stable environment to encourage private investment, a restructured public sector to improve capital expenditure and service delivery, new sectoral and regional emphasis on industrial and infrastructural development, improving labour market flexibility and enhancing human resource development (Fitzgerald, McLennan & Munslow, 1997: 50).

According to Picard & Garrity (quoted in Fitzgerald, McLennan & Munslow, 1997:64), South Africa faces the challenge of contextualising development strategies such as GEAR within a governance framework, rationalise the public sector and build capacity for sustainable delivery before embarking on any social transformation and economic redistribution processes. The institutional arrangements in the country have to be strengthened to support service delivery.

Underlying the apparent lack of a unified public sector with strong service ethos are the deficiencies in intergovernmental relations. Intergovernmental relations need to be aimed at creating a “seamless” public service, i.e. services must be co-ordinated and properly integrated. In this regard, the 1998 Presidential Review Report found serious shortcomings in intergovernmental relations and co-ordination. These deficiencies prevent good governance, which implies sustainable achievement of the appropriate developmental policy objectives by targeting sustainable development. This in turn involves co-ordinating and integrating all available resources in all sectors - private, public, voluntary, international and domestic – towards delivery objectives. The 1998 Presidential Review Report has noted that “functionally, there exists what many have described as a vacuum at the centre of government...” (Presidential Review Commission quoted in The Centre for Development and Enterprise, 1999:67). This vacuum also extends to the lack of co-ordination between the executive and the departments, and amongst departments and spheres of government.

The government's delivery of public services is in effect a distribution of socio-economic benefits to entitled citizens. Effective public service delivery entails availability of resources (financial, economic and human resource), a viable policy to distribute the public services, an inter-departmentally co-ordinated and integrated effort and spheres and units of delivery who, together with citizens - as resource

providers through taxation and as consumers of these public services – support the delivery endeavours. Improving public service delivery is not only a benefit for the users of the services but is "essential for future economic prosperity and social development of the country as set out in the Government's GEAR strategy" (Department of Public Service and Administration, 1997:15).

The post-apartheid South African government however inherited fragmented, duplicated, poorly co-ordinated structures, plagued with strong racial and ethnic divisions. "There existed corruption, and mismanagement of resources. Problems include poor and outdated management unresponsive to citizens' needs, a regulatory bureaucratic culture lacking accountability and transparency, poorly trained staff, and a de-skilled job hierarchy" (Fitzgerald, McLennan & Munslow, 1997:17). Other features include "rigid racial and ethnic segregation; fragmentation, duplication and waste; poor and out-dated management practices; a regulatory bureaucratic culture, poorly paid and demotivated staff; and conflictual labour practices" (The Presidential Review Commission quoted in The Centre for Development and Enterprise, 1999:65).

What is currently perceived as an imminent lack of management and financial control skills could over time transmit into an irreversible total collapse of service delivery structures and mechanisms, as situations evident in the rest of Africa. The government needs to take urgent steps to redress these imminent threats. But the need for crisis intervention towards addressing the massive demands is also impeding service delivery reforms, as the Minister of Public Service and Administration, Geraldine Fraser-Moleketi commented: "The sheer scope and immediacy of these needs for people is overwhelming, particularly if visualised against the resource pool in the country to meet these needs" (Republic of South Africa. [<http://www.gov.za>]. Public Service Review Report 1999/2000: 2).

2.2.4. THE IMPACT OF GLOBALISATION AND INTERNATIONAL CAPITAL FLOWS

Globalisation, the concept of free movement of theories, financial capital, labour, technology, culture, resources and entrepreneurship across national boundaries have strengthened the global markets while diminishing the power of national

governments. According to Fitzgerald, McLennan & Munslow (1997:15), the impact of globalisation serves to "...narrow the terrain of realistic economic debate." Significant economic debate within nations has been reduced with the inevitable adoption of a "global economic orthodoxy" embodying fiscal restraint, privatisation and a diminishing role for the state, to ensure not only growth but development as well. Global economies are linked and all depend on international capital investments for development.

An ABSA economist, Strauss Matthys, has given the following reasons for international capital flight from South Africa: The South African economy is in a poor state because the sentiment around South Africa is so negative due to high crime levels, labour matters, looming socio-political factors such as land grabbing, the AIDS controversy and the Zimbabwe land reform crisis. "International investment decisions are based on perceptions" (Daily Dispatch, 4 October 2000: 6). Other factors identified by Matthys as compounding international capital flight from South Africa include

- New foreign exchange restrictions regarding the capability and ease with which work permit holders can remit foreign exchange and/or repatriate profits for investment or/and appropriation to international destinations.
- Massive, frequent, and sometimes unnecessary policy changes in most sectors and in some instances policy reversals, which spell insecurity in the economy.
- Capital Gains Tax has been introduced at a time when the country badly needs to attract foreign direct investment.

2.2.5. THE IMPACT OF HIV/AIDS

An actuarial research released by the Bureau for Economic Research in 2002 projects AIDS-related deaths to shrink the economically active labour force by 21% by 2015. This will have major impacts on the spending power of consumers and credit retailing. Major social AIDS-related problems will include an increase in AIDS orphans, a high level of absenteeism of employees due to taking care of sick relatives and increased numbers of funerals (Times Media, 30 June 2002: 8). Hope to reduce these effects lies in the provision of anti-retroviral drugs to all HIV-positive citizens to increase their life expectancy and economic life. Anti-retroviral drug

provision has been delayed by the government's unwillingness to provide them because of the controversy projected by the presidency and executive in South Africa.

2.3. INTERNAL GOVERNANCE ISSUES

Good governance involves proper exercise of power within and between the state and its governing institutions and civil society in the allocation of resources. Effective, efficient and economic service delivery has to be ensured, good intergovernmental relations developed and social development maintained in a democratic society for good governance.

Governments have traditionally been delivering public services through public organisations. Public organisational drawbacks have resulted into public sector reforms. However, notwithstanding many of these reforms, the traditional public sector context remained non-conducive to public sector service delivery. This negative context contains, according to Schell, quoted in Wessels & Pauw (1999:81-82), a low degree of market exposure which results in less incentive for cost reduction, operating efficiency and effective performance; lower allocative efficiency, and lower availability of market indicators and information; legal and formal constraints on procedures and spheres of operations; greater proliferation of formal specifications and controls and external influence. The public sector is also characterised by greater government coerciveness in the monopolistic and unavoidable nature of many government activities. Public administration further signifies a bigger breadth of impact and is subject to greater than attainable public expectations; Public management is characterised by complex and diverse objectives and vague and intangible criteria, sometimes with conflicting goals.

The highly volatile globalisation and high degree of population mobility in South Africa and internationally has significantly increased the degree of market exposure of the public sector as agencies compete regionally, nationally and inter-governmentally, and internationally for scarce resources, capital and technology.

In the developing world in general and South Africa in particular, effective and equitable public service delivery should not only be aimed at maintaining the *status quo*, but should deliberately address issues of marginalisation and demolish impediments to development of the previously disadvantaged. It follows that there is a "...relationship between the level of development and public policy" (Cloete in Cloete & Wissink, 2000: 77). Development is both a subjective and objective sustainable increase in the quality of an individual or a community" (Todaro, quoted in Cloete & Wissink, 2000: 77). Development is perceived as a continuous subjective and objective process aimed at improving conditions of living. According to Cloete (Cloete & Wissink, 2000:78), "the level of development in a given community is determined by the initial starting conditions and by later natural or other events caused by policy decisions and/or actions of decision-makers, occurring within that society or outside the control of the decision-makers." The government should adjust its policy objectives to changing needs and demands, and the changing level of development within a given society. Sustainable development in turn entails empowering people to develop themselves socio-culturally, technologically, politically, economically and organisationally independently over a span of time longer than the initial empowering initiatives.

Following on this overview of development, some of the internal issues relating to good governance for developmental service delivery in South Africa are explored in the subsections below.

2.3.1. GOVERNMENTS' IDEOLOGICAL CONTRADICTIONS

Perceived or real contradictions between social and economic policies of government have resulted in an increased divergence in the worldview between the ANC and its alliance members and political allies. The lack of a consensus on policy objectives within the alliance has the possibility of damaging the policy process permanently, which would eventually culminate into a permanent lack of structures and processes to deliver public services.

According to Munslow in (Fitzgerald, McLennan & Munslow 1997:16), a developmental state should "provide a coherent set of policies and major infrastructures, and must facilitate an environment conducive to the implementation

of development-friendly policies, that is, by encouraging private-sector and Non-Governmental Organisation's (NGO) initiatives and where necessary fostering partnerships between the state, private sector and NGOs".

Good governance requires good citizenship (Cloete, 1999:12). A strong civil society to check and guide leadership is the ultimate guide to democratic and good leadership. The majority of the civil society in South Africa is still weak and illiterate in accordance with good civil society requirements and is unable to check and guide the leadership.

2.3.2. LACK OF A COMMON VISION

An essential element to a development strategy and sustainable governance - a common shared vision encompassing the leadership, institutional structures and citizens - is lacking in South Africa. A notable example is the fiscal restrictions imposed by the Department of Finance while other departments spend without due regard to these controls. In the Sunday Times (27 August 2000:1), it was revealed that the Province of Mpumalanga is cash strapped and on the verge of bankruptcy, although expenditure includes biscuits for officials.

The eroded capacity for governance impacts on the government's capacity to effectively deliver public services. "Good governance assumes that public service delivery is the implementation of public policies aimed at providing concrete services to the citizens" (Cloete, 1999: 12).

"The Office of the President should be the core and apex of the whole system of governance in South Africa. But it is not providing the necessary support required for the head of state or for the effective running of government as a whole" (Presidential Review Commission in The Centre for Development and Enterprise, 1999:67). The Office of the President has not acted in time to crucial policy issues and in some cases even impeding sound policy development as in the case of HIV/AIDS.

2.3.3. POLICY PROCESS CONSTRAINTS

The legislature which is supposed to play a prominent role in the making of policy by exercising accountability over the executive does not do so, due to the high

proportion in the legislature of members who are unable or unwilling to distinguish between party loyalty and accountability.

A change from a long era of apartheid to democracy on 27 April 1994, resulted in "a far-reaching policy paradigm shift from pre-World War II colonial type apartheid policies to the latest written democratic Constitution and Bill of Rights in the world, with totally new policies supporting this new value system" (Cloete in Cloete & Wissink, 1999:92). Despite this, the government has experienced major policy failures that erode public service delivery capacity. Resistance of alliance members to policy has negatively affected the policy process, creating conflict within the alliance regarding some of the new economic strategies that has eroded the possibility of a consensus on a national plan and vision. ANC, SACP & COSATU contradictions according to CDE (1999:110-149) further erode a clear leader national vision on which there can be a possibility of a consensus on a national plan and vision include, tension between the ANC and SACP with the SACP actively recruiting ANC members, interpersonal rivalry for election candidacy and rival support for programmes the ANC has not supported, the SACP and COSATU meet separately from the ANC and formulate strategy, both the SACP and COSATU have not supported GEAR, a lack of a joint action of programme within the alliance transmitting itself into a lack of direction for the government and opportunism within the alliance, a lack of an alliance programme on key policy issues, a lack of direction and conflict of values has resulted into slow or lack of delivery of public services, a lack of organisational capacity of the ANC, SACP and COSATU to change from forces of structure and infrastructure destruction to capacity building, management and control of government, a lack of proper co-ordination between the alliance's structures, a lack of coherence and cohesion in the alliance and the ANC dominating the policy process with the SACP and COSATU effectively opposing most policy on the grounds of lack of participation.

This leaves open the possibility of policy sabotage within the policy process making body. Well-formulated policies more often than not remain unimplemented. More and more cracks are appearing in the alliance governing South Africa with the most recent centring on the local government municipal demarcation and the exclusion of chiefs in the process, the executive view regarding the relationship between AIDS

and HIV, and the alleged corruption in the government's arms deal procurement process. "Even reform-minded leaders cannot translate their goals into reality because the machinery linking policy statements to action has ceased to function. As a result, a vast gap has opened up between what the state says it will do and what it does" (World Bank quoted by Cloete, 1999:94).

Since 1994, all departments have been reviewing old policies and formulating new policies. However, the policy makers lacked the necessary skills and experience to make and analyse policy. In late 1998, Job Mokgoro, the Director-General of North West Province stated, "...the gaps between multiple policy reform initiatives introduced since 1994 and implementation of these policies seems due to policy management capacity shortcomings in government. There is a glaring absence of policy analysis skills as well as policy analysis practice....policy analysis skills in government should be introduced as a matter of urgency" (Mokgoro in CDE, 1999:20). Other worrying policy process characteristics include:

- "Confusion of policy advocacy with policy analysis...without undertaking detailed systematic analysis essential for good policy-making.
- Ignorance concerning the key components of policy analysis. Policy analysis involves considering the choices for the best possible course of action before decision-making. Policy analysis culminates into sound judgements about policy pressure groups.
- A lack of appreciation of a system of government that has been developed over decades. Many things from the past government have been changed regardless of whether they are good or bad.
- A tendency to govern by legislation rather than sound administration...more than 300 pieces of legislation have been enacted, many of which have yet to be implemented.
- The assumption that good intentions will automatically result in good policies." (Mokgoro in CDE, 1999:20).

Policy-making since the democratic elections has been over ambitious, weak and centralised at national level. The current "process of policy formulation and decision making by the executive-cabinet and ministers is unsatisfactory" and autocratic (The

Presidential Review Commission in The Centre for Development and Enterprise, 1999:67). The massive need for a speedy transformation has resulted in government producing a succession of numerous unimplemented white papers disregarding prioritisation and other key rules of policy-making, further enhancing the dangers of intervening in service delivery without analysing the consequences.

2.4 LOCAL GOVERNMENT AND INTEGRATED RURAL DEVELOPMENT

2.4.1. LOCAL GOVERNMENT IN SOUTH AFRICA

South Africa has achieved much since independence. These achievements include a peaceful transition to democracy and attempts to transform apartheid systems of inequity. Nevertheless, much still has to be done to gain international competitiveness. Local government in South Africa has been freed from the factors that impede efficient, economic and effective public service delivery in the public sector. In international experience with good governance, public service delivery reforms attempt to organise private markets and voluntary agencies. Alternative service delivery mechanisms should always be considered if the government does not have the necessary capacity to deliver the necessary services. Alternative service delivery mechanisms according to Cloete (Cloete, F, 1999; *Africunus* 29(2) 1999:88) include, a move from a centralised planning, delivery and control to decentralised planning, delivery and control at lower levels in the public sector, corporatisation, outsourcing, public-private joint ventures, civil society partnerships and alliances and privatisation of unproductive organisations.

The Local Government: Municipal Systems Act, 2000 (Act 32 of 2000), empowers municipalities with the role of “social and economic upliftment of communities and ensure universal access to services that are affordable to all....working in partnership with the municipalities political and administrative structures, to provide public participation, to establish simple and enabling framework for the core processes of planning, performance management, resource organisation and organisational change which underpin the notion of developmental local government” (Republic of South Africa. <http://www.gov.za>). The Act further requires municipalities to ensure

good public administration, human resource development, empower the poor, ensure that services are affordable, provide a framework for service delivery and promote intergovernmental cooperation.

Local government in South Africa is founded on a competitive service delivery perspective. It has been empowered legally to access funds and improve efficiency by using public-public, public-private and public-NGO partnerships. However, local government in South Africa faces many challenges. There is a huge service backlog inherited from the segregative apartheid service delivery system. Local government inherited years of deterioration and infrastructure neglect resulting from the service rates boycott called for during the struggle against apartheid. The public service nationally and in provinces has to serve as backup for local government and if these are dysfunctional, this will affect local government delivery. Even though local government is an autonomous arm of government, it remains interdependent on the other arms of government.

Local government should therefore develop and retain the required human capital skills base necessary to foster local economic development. Local government also has to put strategies in place to fight the impact of HIV/AIDS which will be felt more at the grassroots level. Local government, especially in rural areas, has to reverse a culture of non-payment for service which has been institutionalised. Attracting finance for investment projects has to be made a priority. No funds will be forthcoming for local government infrastructure development from national government. "To build local infrastructure, municipalities must either obtain the capital themselves, or they must attract private partners who will provide the necessary capital" (Republic of South Africa, Intergovernmental Fiscal Review, 2001:183).

The White Paper on Municipal Service Partnerships, 2000 provides an enabling framework for the establishment by local governments of municipal service partnerships. The Municipal Service Partnership (MSP) Policy has been derived from the principles of *Batho Pele*. It promotes an ethos of participation by consumers and other stakeholders in the process of determining and implementing service delivery options. The MSP Policy also endorses universal access to basic services, the progressive improvement in service standards, and openness and transparency

in the processes used for selecting service providers. MSP enables municipalities to contract specialist service providers.

Municipal service partnership options include a public-private partnership, a public-public partnership, or a public-community-based partnership. Rural municipalities are going to need community partnerships to educate communities on the rationale of payment of municipal service usage.

2.4.2. INTEGRATED RURAL DEVELOPMENT

With a view of contextualising the rural municipal case study introduced in Chapter 3, it is necessary to briefly touch upon rural development as well. Most of South Africa comprises of rural areas. These rural areas are underdeveloped with massive service backlogs. To develop these rural areas would need a partnership between government, rural authority and civil society, business, communities and non-governmental organisations. The question of rural authority is not yet resolved and municipalities do not enjoy legitimacy in rural areas.

Rural Intervention strategies need to be formed to address rural development issues. Rural development strategies could include land reform and development practices, education programmes (adult education in areas such as literacy, agriculture and eco-tourism; and general education strategies) and integrated rural development and capacity building programmes.

2.5. CONCLUSION

Governments have been delivering public services through the traditional public organisations set in a bureaucratic context. Such delivery has proved inefficient, uneconomical and ineffective. This delivery emanating from the national and provincial levels transmits to local government level service delivery. This is the case in South Africa. Factors that impact on service delivery in the public sector and in South Africa include external macro and internal micro issues.

External macro issues affecting service delivery according to Cloete in (Cloete & Wissink, 2000:81-83) are socio-cultural, socio-political and socio-economic variables. Developed countries have a literate, educated population, advanced knowledge, experience, technology and resource endowments, greater equality (gender, racial, ethnic, and religious), low or sometimes negative population growth, well-developed infrastructure and facilities, a democratic political system, stable public policies, stable and efficient service delivery systems, good and effective infrastructures, good technology and information systems to determine needs, policy design remedies, a higher income per capita and reduced dependency on foreign donors, higher levels of employment and economic development, a smaller gap between the poor and rich, more equitably distributed resources, more developed economies based on secondary production (manufacturing, service activities), while agricultural, raw materials and minerals production have declined as a percentage of GDP, a well-developed infrastructure network transcending beyond urban areas to rural and an individual freehold property. The reverse is true for developing countries. In addition developing countries have internal governance issues that impact on service delivery.

Internal governance issues that may impact on service delivery for sustainable development in South Africa are teething problems emanating from a new democratic government. The 1997 White Paper on Transforming Public Service Delivery (*Batho Pele*) intended to achieve service excellency has not been effectively implemented. To attempt service equity, the government has passed numerous White Papers, most of which have yet to be implemented. The Reconstruction and Development White Paper, introduced in the presence of weak institutional structures to implement it, remained a policy on paper. The RDP was followed by Growth, Employment and Reconstruction (GEAR). GEAR was meant to foster a fast growing economy, job creation and redistribute resources. GEAR is reflective of the ideological and economic contradictions within the governing tripartite alliance and this presents a challenge for contextualising it, while rationalising the public sector and build capacity for sustainable delivery. Intergovernmental relations still have to be strengthened.

South Africa is experiencing the negative effects of globalisation and international capital flows that do not favour developing countries, a rising HIV/AIDS rate, ideological and national vision contradictions within the tripartite alliance and policy process problems. Both the macro and internal governance issues are bound to affect service delivery at national, provincial and local government levels. Although South Africa has attempted to undergo public management reforms, both the public service review reports of 1998/1999 and 1999/2000 paint a picture of a government experiencing increased pressure to deliver public services efficiently, economically, and effectively in the presence of limited resources. The government faces the daunting task of ensuring equitable service delivery while the available resources are far less than the demand for these resources. The local government initiative in South Africa has been legally empowered to access funds and improve efficiency by forming partnerships. The national government has through legislation tried to minimise inefficient local government service delivery by ensuring local government is an autonomous but interdependent arm of government. Local government legislation and other empowering guidelines in South Africa align to alternative service delivery mechanisms. Intergovernmental and global constraints will nevertheless impact on local government service delivery.

Chapter 3 of this research will concentrate on how a rural municipality, faced with internal and external constraints, can ensure efficient and economic public service delivery. An ethnographic case study of Engcobo Municipality will be researched for this purpose.

CHAPTER 3

AN ETHNOGRAPHIC CASE STUDY ON PUBLIC SERVICE DELIVERY IN ENGCOBO MUNICIPALITY

3.1. INTRODUCTION

Chapter 2 was dedicated to exploring external and internal issues affecting public service delivery in general, and then concluded with briefly exploring the local government and rural development realities in South Africa. It was found that the developmental divide between developed and developing countries is increasing for various reasons, but also because the public management reforms that have enhanced performance in developed countries could not do the same in developing countries because of overwhelming constraints. These constraints include vague definitions of what performance entails in developing context, unresponsive organisational cultures, unclear performance indicators, a resilient ethos of governance, unfavourable organisational factors, incorrect use of resources and unsuccessful policy initiatives.

From a governance perspective, the literature review has shown that ideological contradictions, lack of a common vision and policy process constraints are also hampering South African public sector delivery processes. Although local government legislation and reforms have freed municipalities from many impediments to better delivery, the huge service backlog, infrastructure neglect, lack of integration with other spheres of government, lack of capacity the impact of HIV/AIDS and the culture of non-payment are still eroding that ability, especially in rural areas. In addition, rural areas have even greater levels of underdevelopment, poverty and service backlogs and consequently municipal structures in deep rural areas carry less legitimacy.

Engcobo Municipality is situated in the former Transkei, an area so deprived of social and other services that service backlogs are enormous. The town was part of South Africa before 1976, but currently its infrastructure is dilapidated and municipal management has been rendered helpless through a lack of resources caused by

many years of service payment boycotts. The purpose of this chapter is to provide data and information about the task environment of Engcobo Municipality, about the municipality itself, and about planning for service delivery in the Municipality.

3.2. ENGCOBO TASK ENVIRONMENT

The Municipality of Engcobo is located in the eastern part of Chris Hani District Municipality. Engcobo Municipality is one of the five municipalities under Chris Hani District Municipality. The municipality replaced the former transitional local council. The Municipal area stretches over 22 587 808 ha. The area is vast and only 1% of the 28 510 households are living in urban areas. The population in the municipality is estimated at 149 609. Of this population, 99% are black, 0.1% coloured and 0.4% other. 45% are male while 55% are female. 59% of the population is below the age of 20 years, 20-64 year olds comprise 33.6% and the population over 65 years of age comprises 5%, while 0.6% of the population falls within the unconfirmed category.

The town comprises of 15 wards with 29 elected councillors. These wards altogether have 322 villages. The municipal headquarters are well located but because of the size of the municipal area, it is not easily accessible from some wards. This lack of access is compounded by lack of access roads to 59 villages (Engcobo Municipality, Integrated Development Plan 2002-2006 For Engcobo Local Municipality EC137 and Chris Hani District Municipality DC 13, 2002:7). Table 1 sets out the number of villages per administrative area per municipal wards.

TABLE 1: THE MUNICIPAL WARDS AND ADMINISTRATIVE AREAS

(Adapted from Engcobo Municipality, 2002:18).

WARDS	NUMBER OF ADMINISTRATIVE AREAS	NUMBER OF VILLAGES
1	6	32
2 (TOWN)		
3	8	12
4	10	21
5	5	29
6	2	27
7	2	11
8	2	19
9	5	9
10	6	34
11	7	36
12	6	27
13	3	6
14	5	33
15	7	26
TOTAL	74	322

The municipality has resources and potential for further resource development. These include five forest plantations, six indigenous plantations, and five sawmills. Forestation projects sponsored by the European Union are underway in the rural areas. The area has good rainfall - approximately 650mm per annum. The municipal area has four rivers, Xuka, Qumanco, Mgwali and Mbashe. The area has potential for agriculture because it is characterised by rich sweet grassland suitable for agriculture. There is potential for tourism development, arts and crafts. The municipality can develop tourism resources by exploiting the Sixholosini Sigidi and Qumanco waterfalls in the area and marketing the traditional Xhosa art and crafts. Cultural heritage resources include Khoisan paintings near Zabasa, Elucwewe and

near Tsazo. These can also attract tourists. More infrastructures should be developed for tourism purposes. The area has meagre accommodation facilities and no travel agencies. The area has plenty of arable land. Arable land on river banks lies fallow. 10-20% of demarcated agricultural land is not effectively utilised in the area (Department of Agriculture- Eastern Cape in Engcobo Municipality, 2002:8). The municipality has yet to formulate an integrated land development management system in terms of the Land Use Management Draft Bill.

3.3. THE ENGCOBO MUNICIPALITY

The Municipality is tasked to deliver public services to its geographical area and promote developmental local government. The Local Government: Municipal Systems Act, 2000 (Act 32 of 2000: Preamble), tasks municipalities to ensure social and economic uplifting of communities, ensure universal access to essential and affordable services, promote public participation, work in partnership with political and administrative structures, and establish the core principles of planning to underpin the notion of developmental local government, provide a framework for local public administration and human resource development, empower the poor, determine and promote tariffs that bear in mind affordability of the community and promote good intergovernmental relations. These responsibilities have to be reflected in the municipality's vision, mission and objectives, and strategies for development.

3.3.1. VISION, MISSION AND OBJECTIVES

The vision of the Municipality encompasses "A well-capacitated, clean, safe and friendly municipality characterised by vibrant agriculture and tourism sectors with skilled and empowered communities" (Engcobo Municipality, 2002:13). The mission is "To provide basic and affordable services, alleviate poverty and improve the quality of the lives of the Engcobo community through social and economic development of the area and by creating a safe, healthy and secure environment" (Engcobo Municipality, 2002:13).

The objectives of the municipality are "To ensure financial viability of the Municipality; to ensure meaningful participation of communities in all key activities and decision making processes of the Local Municipality; to provide basic and affordable services

and facilitate social development of the area; to facilitate economic development and create an environment which is conducive to promotion of small and medium micro enterprises and attraction of investments; to facilitate integrated development planning and ensure cooperative governance; to create a safe and healthy environment; to ensure sustainable utilisation of the available resources in the area; to develop the capacity of the local municipality and provide effective and efficient administration; to manage the performance of the municipality, promote team spirit and account to the broader Engcobo community and other key stakeholders” (Engcobo Municipality, 2002:15).

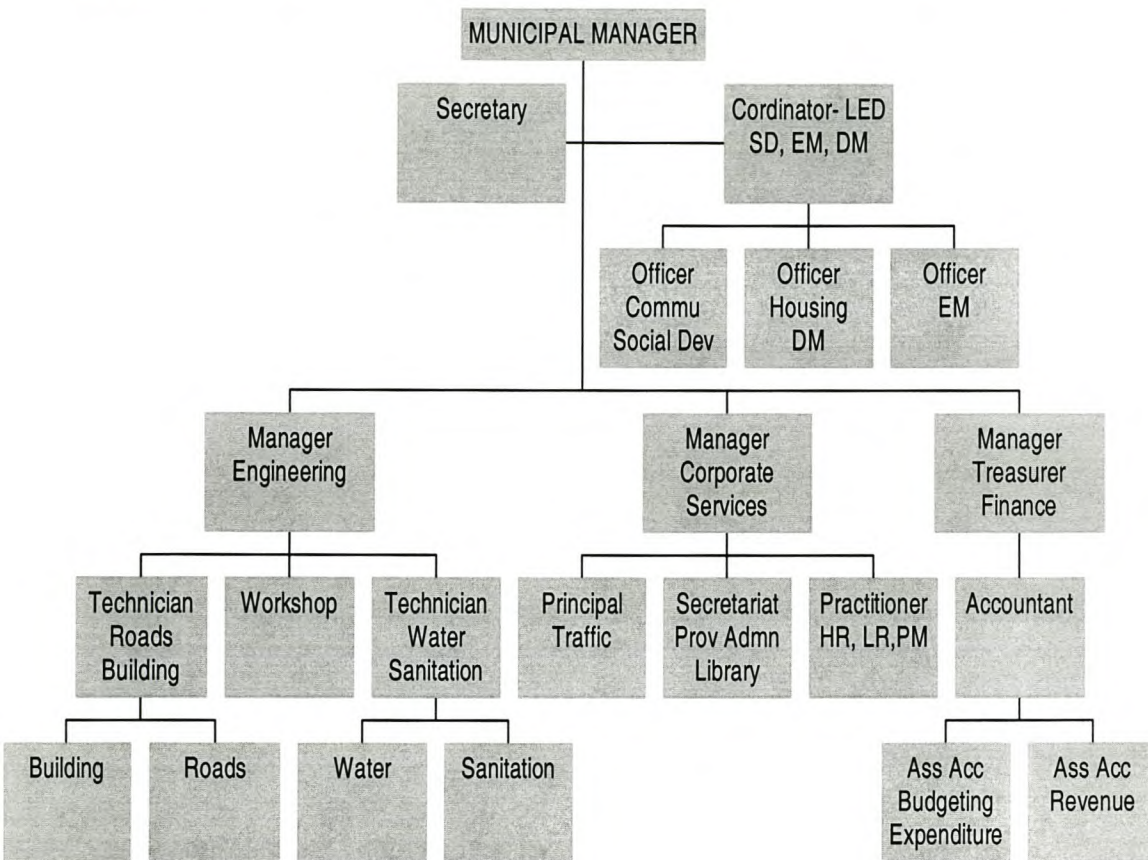
3.3.2. MUNICIPAL ORGANOGRAM

Currently (2003), the political and administrative structures are not in alignment with the local economic development objectives. There is no middle management and the administrative structure does not make provision for local economic and social development needs. The Municipality intends to rectify this in Phase 4 of its Integrated Development Plan (IDP) where middle management positions are to be filled (Engcobo Municipality, 2002:36).

The political structure comprises four standing committees. These are Infrastructure, Finance and Administration, Social Needs and Safety and Security (refer to Figure 1 below). The council heads the proposed political structure. The Mayor and an Executive Committee are under the council. Proposed committees will include Finance and Administration, Social Development and Security, Infrastructure Development; and Local Economic and Environmental Management, which service ward committees. The political structure has a special delivery programme unit.

The Municipality faces skills gaps in its service delivery initiatives, which it intends to address through its Strategy for Institutional Development. The strategy aims to align the political and administrative structures, create new posts to strengthen the capacity of the municipality, provide office accommodation for posts, develop departmental operational laws and policies, and develop a human resource and skills development plan. The national government has provided funding for strategic and human resource capacity building of municipalities through The Municipal Improvement Programme and the Financial Management Grant.

Figure 2: THE PROPOSED ADMINISTRATIVE STRUCTURE (Adapted from Engcobo Municipality, 2002:96)



Abbreviations:

- HR: Human Relations
- LR: Labour Relations
- PM: Performance Management
- MGT: Management
- Ass Acc: Assistant Accountant
- LED: Local Economic Development
- DM: Disaster Management
- EM: Environmental Management
- SD: Spatial Management

The Municipality should play an important economic role in the area. The Department of Education has decentralised some of its district offices to Engcobo. This will greatly increase the spending power of clients in housing and retail business. Housing and retail businesses rely on the Municipality to utilise the enabling framework for efficiency, effectiveness and economic services delivered. The local development initiatives in the area reflect the need for housing and encouragement of private business. The Municipality has to consider the need for increased capacity to plan for this decentralisation in its service delivery plan, which will, in addition, address the service backlog in the area.

3.4. PLANNING FOR SERVICE DELIVERY

To plan for effective service delivery, the Municipality has to assess the service backlog it faces, available natural resources for harnessing current own municipal funding available, and intergovernmental funding and transfers available in relation to its expenditure and budget.

3.4.1. SERVICE BACKLOG WITHIN THE MUNICIPAL AREA

The residents of Engcobo are plagued by high unemployment levels, with 21% of households having no formal source of income. 59.9% earn between R1 000-R12 000 per annum. 11.2% earn between R12 000-R54 000. Only 6.2% of the households earn more than R54 000 per annum. Of the 23 676 economically active people in Engcobo, 29% (6 885) are employed, while 71% of the economically active labour is unemployed.

The Municipality has a high illiteracy rate. 50% of the population has no formal education, 13% have completed Grade 7, 37% have completed 0-6 grades only 4% have Matric and 5% have tertiary education. 37% have completed Grades 7-11.

The infrastructure for service delivery is either non-existent or in a very poor state. Huge infrastructure backlogs in roads, water, health facilities, sanitation, education, telecommunications and electricity are experienced. 59 villages, 8 clinics and 37 schools have no access roads. 60% of households have no sanitation facilities, while 30% use pit latrines. More than 70% of households rely on rivers and springs as their

main sources of water. This exposes household to waterborne diseases. Some areas have high water tables. Wards 3, 5, 10 and 13 do not have clinics or health centres. The majority of the clinics are made of mud structures and are built out of community initiatives, have no electricity and no water supply. The existing roads are in a bad state and require rehabilitation and upgrading and storm water drainages need repair or are non-existent. There is a huge housing shortage in both urban and rural areas. The housing backlog is estimated at 2452 low-income and 252 middle-income household. Lack of proper farming methods have resulted in overgrazing and soil erosion. Traditional burning of grass periodically destroys the ecosystem (Engcobo Municipality, 2002:7-9).

The area lacks modern energy supplies and relies on traditional energy supplies. More than 80% of household use paraffin and wood as their main source of energy. This threatens the sustainability of indigenous forests.

There is a huge lack of communication facilities within the municipal area. 70% of households have no access to telephones, 14% have access to nearby public telephones and more than 15% depend on use of public telephones and telephones within the economic institutions in their areas.

A severe shortage of social services is experienced in the municipal area. The town has a centre for street children but no centre for orphaned and mentally handicapped children. No rehabilitation centres for alcohol abusers exist. There are no social services other than social grants for the aged and children under six years. The town also lacks sports and recreation facilities.

Database upgrading still has to be done as some of the service users are not on the database. The municipal database contains 576 consumers and 361 ratepayers. Occupied residential sites amount to 295, while there are 203 industrial sites. Property valuations still have to be completed. 40% of the property is not valued. The billing system has to be upgraded.

The Municipality needs to develop a number of by-laws and attend to the 80% of Finance, Human Resources, Administration and Communication policies that are yet to be developed (Engcobo Municipality, 2002:38-41).

3.4.2. INTEGRATED DEVELOPMENT PLANNING

The Integrated Development Plan (IDP), a five-year development map, has been drawn with the exclusion of rural authority participation in Engcobo (Giqo: Semi structured Interview 13th-08- 2002). This is because of the unresolved rural authority questions emanating from the 2000 municipal election systems and structures, which the rural authority in South Africa rejected and saw as a de-powering effort by the government. Although this is not of the making of the municipal authorities, it will impact on the legitimacy of the document in rural areas. In areas like Engcobo Municipality where 99% of the residents are in rural areas, rural authority exclusion from municipal development initiatives could present problems such as questioning the political legitimacy of municipal structures.

The town has a long-term potential for local economic development. Sustainable exploitation of the town's resources presents an opportunity for agro-tourism and cultural tourism. Resources include abundant water, forestry, land, historical heritages of rock art.

Strategic planning and development is being done through the Integrated Development Plan. The Integrated Development Plan process is scheduled to go through the following five phases. It is currently at Phase 3 as illustrated in Figure 3

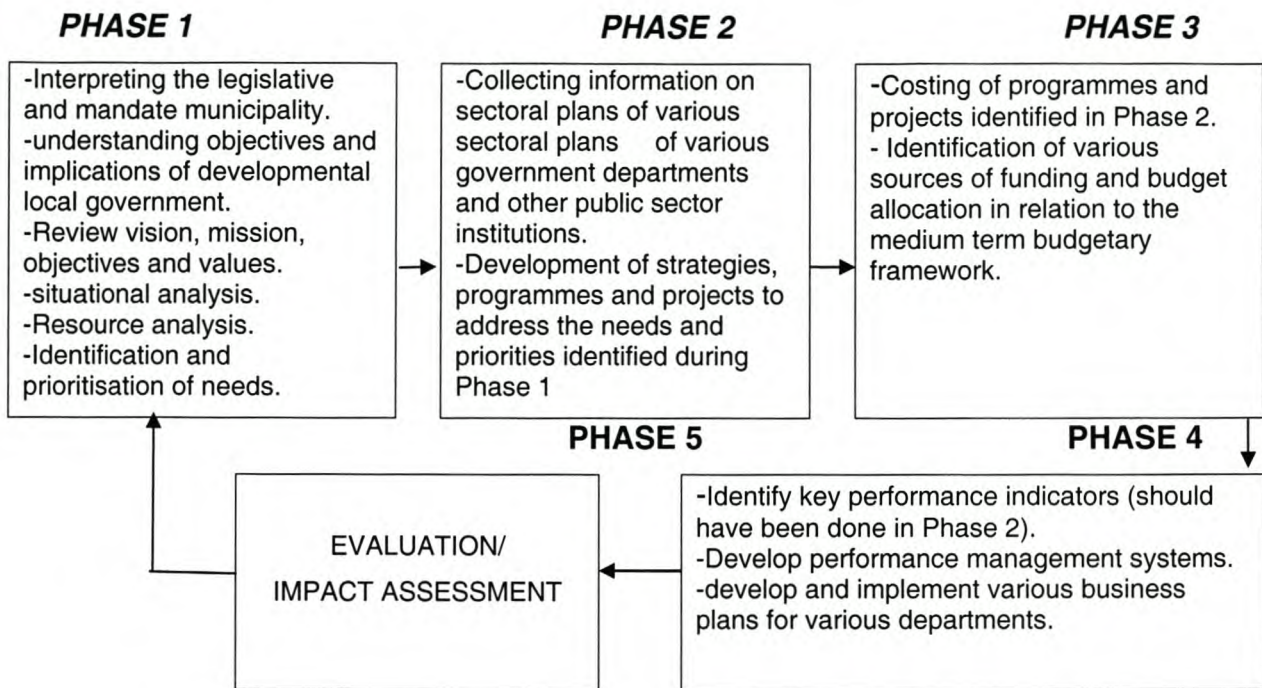


FIGURE 3: The municipal IDP process as adopted from the IDP document (Engcobo Municipality, 2002:13).

The Integrated Development Plan (IDP) implementation framework for the Municipality includes aligning its Integrated Development Plan to the three-year budgeting framework and develop three-year business plans and annual time frames for its various departments, giving budget inputs into the departmental projects that the municipality is prioritising, aligning its Integrated Development Plan with sector plans and business plans of various departments, establishing effective sectoral committees, and identifying and using more effective and efficient service delivery mechanisms such as forming partnerships with the private sector and community to deliver services. The Municipality intends to reach a service agreement with the Chris Hani District Municipality by identifying and agreeing on areas that the Engcobo Municipality needs assistance in, entering beneficial service agreements with other municipalities, and functioning as an agency for some departments such as the Department of Welfare and Social Services (Engcobo Municipality, 2002:103-111).

3.4.3. MUNICIPAL REVENUE

TABLE 2: OWN REVENUE FOR THE MUNICIPALITY (Amounts in Rand)

(Adapted from Engcobo Municipality, 2002:40).

SOURCES OF FUNDING	1999/2000	2000/2001	2001/2002
Rates (36 registered payers)	419 096.00	212 000.00	96 320.00
Water sales	401 797.00	212 000.00	101 603.00
Sanitation and sewerage	44 834.00	18 550.00	36 297.00
Refuse	168 213.00	84 800.00	64 583.00
Other		26 500.00	3 950.00
	1 033 940.00	553 850.00	651 849.00

Table 2 indicates a sharp decline of 50% in revenue collection. The projected improvement in 2002 is not in real terms as this revenue collection improvement is attributed to income realised from the investment of the national government transfers to the Municipality (Engcobo Municipality, 2002:40). Table 3 sets out the revenues from external sources.

TABLE 3: EXTERNAL FUNDING FOR THE MUNICIPALITY (Amounts in Rand)

(Adapted from Engcobo Municipality, 2002:39).

SOURCES OF FUNDING	1999/2000	2000/2001	2001/2002
Equitable share	944 329.00	9 520 254.00	23 332 287.00
CMIP	?	?	940 569.44
Transitional Grant	N/A	400 000.00	598 259.70
MSP	N/A	N/A	1 100 000.00
Systems Improvement Grant	N/A	N/A	100 000.00
Housing Fund	?	?	69 239.69
Free Basic Water	N/A	N/A	5 913 584.00
TOTAL	944 329.00	9 092 025.00	32 053 939.00

A comparison of municipal resources, both tangible (capital and current funds) and intangible versus the expenditure and budget can easily determine the financial distress being experienced in the Municipality.

3.4.4. MUNICIPAL EXPENDITURE

Municipal expenditure for the financial year ending April 2002 was below the funding available because of low actual capital expenditure and no allocation of free basic water in spite of funds being received for that purpose. (Compare Tables 3 and 4). Own revenue generated is far below what is required to fund commitments, but simultaneously lack of capacity prevents spending of available funds!

TABLE 4: MUNICIPAL EXPENDITURE (Amounts in Rand)

(Adapted from Engcobo Municipality, 2002:41).

EXPENDITURE ITEMS	1999/2000	2000/2001	2001/2002
Personnel Expenditure	798 626.00	3 948 910.00	2 958 558.00
General Expenses	347 565.00	2 986 968.00	1 229 921.00
Capital Expenses	177 308.00	13 961 508.00	1 945 354.00
Repairs and maintenance	109 999.00	2 538 456.00	2 178 698.00
TOTAL	1 428 498.00	23 435 842.00	8 312 531.00

The Municipality is experiencing financial distress early in the stages of implementing service delivery structures and processes. This is evident from the 2002 budget, which is in deficit (see Table 5 below). Projected budget deficits increase annually, until the end of the 2005 MTEF period.

TABLE 5: MUNICIPAL BUDGET SUMMARY 2002-2003 MTEF (Amounts in Rand)
(Engcobo Municipality, Municipal Budget, 2002).

EXPENDITURE ITEM(Summary)	BUDGETED	REVENUE	DEFICIT/SURPLUS
Council	4 765 539	4 378 491	-387 048
Municipal Manager	538 279	537 812	-467
Financial Management	2 183 612	2 587 275	403 663
Administration	2 935 944	2 888 055	-46 989
Traffic Department	855 623	857 879	2 436
Roads And Works	14 932 021	14 051 280	-880 741
Water Supply	37 547 128	37 547 128	NIL
Sanitation	4 434 130	4 434 130	NIL
Refuse Removal	1 661 611	1 661 611	NIL
Local Economic Development	7 037 765	7 037 765	NIL
Total Budget	72 989 860	72 272 121	-717 739

The Municipality has planned service delivery strategies as a course of action for its Integrated Development Plan. The Municipality has in its Integrated Development Plan developed strategies for infrastructure, social, local economic, institutional development, financial management and waste and environmental management. The Municipality requires R197 million to implement the projects identified in the Integrated Development Plan. The municipality's implementation framework includes exploring public-private partnerships, management contracts and agency agreements (Engcobo Municipality, 2002:9).

3.4.5 SERVICE DELIVERY STRATEGIES

The Municipality has established needs and strategies for infrastructure development, social development, local economic development, waste and environment, community participation and empowerment, institutional and financial management through the Integrated Development Planning process. These strategies are discussed below.

3.4.5.1. Infrastructure development strategy

This strategy covers upgrading and providing access roads, tarring more streets in town, building and improving bridges and storm water drainage, installing a television antenna, establishing a community radio and installing a 24-hour hotline service for emergencies to improve telecommunications. The rural areas with housing shortages have been identified and strategies for addressing these have been developed.

The municipality intends to address the low-income and middle-income housing backlog and utilise public-private partnerships to develop rental accommodation in town. This will facilitate provision of housing for government officials coming to Engcobo as a result of decentralisation. The Department of Education has decentralised one of its regional areas to Engcobo (close to 300 officials are expected in Engcobo from this decentralisation alone). The Municipality intends to alleviate the rural housing shortage by extending low-income housing to rural areas.

The Municipality intends to address energy supply problems by initiating electrification projects for areas that do not have electricity. Rural schools and clinics without electricity will be either electrified or solar electricity systems installed. Villages relying on wood as a source of energy will be assisted to develop woodlots so that indigenous forests are not exploited beyond extinction.

The Municipality intends repairing and upgrading sports grounds that are dilapidated and are in disuse. These include a swimming pool, tennis court and golf course. More sports and recreation facilities being planned are indoor recreation (an indoor sports recreation centre) and a gymnasium, parks and cinema facilities.

A water purification plant upgrading is planned to increase the storage capacity of existing dams. In the rural areas springs will be protected and reservoirs developed at Nkobongo, Qumakala and Mkunjana.

With regard to community and social services, the Municipality lacks facilities for the aged, orphaned and abused children and intends to address these. With the

HIV/AIDS onslaught on the country, orphaned children will increase in number. If these are not sheltered, educated and provided with social services, they become street and/or abused children.

13 rural wards lack community halls. The Municipality intends to develop community halls at Sikobeni and Quthubeni, while also developing community service centres in identified central points which should link to clinics.

Sanitation and waste management: will involve developing new sewer ponds and upgrading existing ones and the sewage reticulation plant, and building public toilets. The Municipality also intends to purchase solid waste trucks. In the rural areas, 6000 (20% of dwellings) enviro-loos will be developed. In the peri-urban rural areas which are more densely populated, such as Manzana, All Saints and Clarkebury, the Municipality intends to introduce refuse collection services.

The Municipality intends to establish satellite police stations at Clarkebury, Kondlo, Mjanyana and Mntuntloni to liaise with the Department of Safety and Security to address safety and security in the area.

Clinics without electricity will be electrified. The location of clinics will also be reviewed. The intention is to locate clinics near to already existing infrastructure such as schools and roads. Clinics built of mud structures (40%) will be upgraded. Wards that have many clinics will see these clinics relocated to areas that have none. Pre-schools will be developed in villages without pre-schools.

With regard to disaster management and emergency services, the Municipality intends to repair and upgrade the existing fire hydrants which are not functioning properly, develop additional ones and develop offices for staff and equipment. Since communities in rural areas have difficulty accessing the municipality in cases of emergencies, fire hydrants will be installed in All Saints, Nyanga, Kondlo and Manzana.

The Municipality intends to develop a taxi rank and parking meters for the area. Bus shelters will be built where the need exists (Engcobo Municipality, 2002:48-57). The

course of action will be to get funds for fuel and utilise the machinery and plant of the District Municipality and regional offices of the Department of Public Works to do this development.

3.4.5.2. Social development strategy

This strategy requires the Municipality to form strong partnerships with the Departments of Social Services, Education, Safety and Security, Public Service and Administration and the Youth Commission. This is because these departments have concurrent programmes running which intend to address issues identified for social development. Main areas covered by the strategy include food security programmes, services for the aged, youth programmes, services for people with disabilities, adult basic education to address high levels of illiteracy, services to abused and orphaned children, Educare services, alcohol and substance abuse rehabilitation services, HIV/AIDS-related services, sanitation services, services in relation to housing and poverty alleviation programmes.

Services for old age people will also be assessed. The aged rely on their pension grants for survival. The Municipality intends to develop community centres for the aged, and appoint paid home-based community workers to cater for the aged.

The youth comprise 70% of the population but there are currently no youth programmes in the area. The Municipality intends to develop youth programmes such as skills development to create self-employment. A youth-run Special Programme Unit is to be established and attached to the Local Economic Development and Social Development Units to co-ordinate and facilitate the development and implementation of youth programmes.

The Municipality lacks database information about people with disabilities in the area and no programmes for the disabled currently exist. The Municipality intends to develop database information of the disabled with the assistance of the Department of Public Service and Administration and develop programmes for the disabled. These programmes will be run by the Youth Special Programme Unit.

The Municipality has high illiteracy levels and current Adult Basic Education and Training (ABET) programmes being run by the Department of Education are not aligned to community projects. As a result ABET attendance and completion rates are very poor. The Municipality intends to align ABET programmes to community programmes.

The area has a centre for street children, which is in serious need of improvements, while no facilities exist for abused and orphaned children. No data and support services are available for child-headed families. The Municipality has no established relationship with the Department of Welfare and Social Services. The Municipality intends to improve the facility for street children, develop a shelter for abused and orphaned children and establish a database for child-headed families and AIDS orphans. Regarding the shelter for abused children and orphans, the Municipality intends to provide the infrastructure, obtain funding for the facility from the Department of Welfare and approach NGOs to manage the facility.

Educare facilities in the area are lacking in some villages and for the existing facilities, some staff members are working as volunteers. Educare facilities in the region do not receive subsidies from either Education or Welfare Departments. The Municipality will develop infrastructure for Educare facilities in areas that have none, organise training of Educare educators through the Departments of Education and Welfare and organise for the payment of Educare educators.

The Municipality has no centre for alcohol and substance abusers and it intends to establish such a facility. No social services for HIV/AIDS-infected people counselling exist in the area and no community/youth HIV/AIDS education programmes exist in the area. The Municipality intends to liaise with the Departments of Welfare and Health in the establishment of a HIV/AIDS shelter for infected children, and establish a database of volunteers for HIV/AIDS programmes.

The municipal area has severe sanitation problems. 66% of households have no basic sanitation facilities. The area in fact does not have any basic health education programmes. The Municipality intends to develop a basic health education awareness programme together with the Departments of Health and Water Affairs,

and the District Municipality. Households are to be encouraged to have basic sanitation programmes through the Department of Water Affairs and Forestry's Sanitation Programme. Densely populated areas are to be provided with public toilets and water-borne toilets will be extended to peri-urban areas.

The Municipality intends to establish a Community Development Fund where households will contribute between R50-R100 annually for community capital projects. Communities will also be given training in sustainable and basic farming methods to improve food production. Clarkebury has a nursery which the Municipality will subsidise to provide cheaper seedlings for communities. The Municipality intends to appoint a social development officer to drive community projects.

The course of action is that the Municipality intends to form partnerships with the departments running the above programmes; the District Municipality will assist with provision of infrastructure, while the Department of Social Services will bear the running costs (Engcobo Municipality, 2002:60-67).

3.4.5.3. Local economic development strategy

The major sectors, upon which local economic development initiatives should be focused, are agriculture, forestry and tourism. Other sectors that have a potential are arts and crafts which can be aligned with the tourism sector, agri-tourism and cultural tourism. The strategy for local economic development will embody establishing rural development nodes, business development in town, economic development clusters and community development projects.

The rural development nodes will include Xuka, Tshatshatsha and Clarkebury. At Xuka, the municipality intends to utilise the dam to develop agriculture and tourism. Agriculture will focus on developing an irrigation project for horticulture, beef and dairy. For tourism, facilities for fly-fishing and water sport activities, chalets for accommodation, conference facilities and children's games will be developed. The municipality will link all this to a cultural village, horse-hiking trails to the mountains and water falls (Sixholosini and Sigidi waterfalls), and bushmen rock art paintings located near Zabasa, Elucwecwe and Tsazo. The Tshatshatsha Rural Development

Node is in the initial stages of development (fencing and piping water from Qumanco River) but is experiencing funding problems.

Business development in town will facilitate the development of retail and chain stores in town, and an industrial park, all of which will create employment. The municipality will establish a partnership with the private sector to develop accommodation sites and housing for middle- to upper-income classes.

The economic development clusters will also contain the tourism, arts and crafts, agriculture and wood clusters. The economic development strategy includes linking secondary processing factories to the existing primary ones. Skills development for the identified clusters is to be undertaken and facilitated by the Municipality mobilising donors for skills development. Institutional support for local economic development entails establishing a Local Economic Development Unit and a Development Agency (to provide mentorship for development projects in the area) within the Municipality. A municipal website will also be developed.

Community development projects will involve establishing beef breeding projects. Other local economic development projects include charcoal projects, coal mining for brick making, sand and quarry mining, skills development, provision of institutional support development and the development of a supporting infrastructure (Engcobo Municipality, 2002:68-77).

3.4.5.4. Waste and environmental management strategy

Sewerage disposal improvements both in town and on the peripheral areas are to be implemented. Lack of basic sanitation poses a risk of polluting surface water. Cholera is currently evident in the area. The Municipality intends to construct enviro-loos with the assistance of the communities involved and address cultural issues related to the resistance to the use of toilets. The area is prone to frequent and uncontrolled veld fires which destroy the ecosystem. Overgrazing and soil erosion are also evident. Strategies to address these include establishing environmental clubs, environmental education and facilitating land rehabilitation programmes. (Engcobo Municipality, 2002:82-83).

3.4.5.5. Community participation and empowerment

The Municipality intends to improve community participation by developing news letters, a community newspaper in the area, establish a community radio station, improve communication between ward councillors and committees and the public, and establish a 24-hour hotline for emergencies (Engcobo Municipality, 2002:85-88).

3.4.5.6. Institutional development strategy

The Municipality will align the political and administrative structures with its vision, mission and objectives. New posts to strengthen the capacity of the Municipality will be created and filled. Policies and by-laws governing human resources, administration, finance and communication are to be developed (Engcobo Municipality, 2002:92-100).

3.4.5.7. Financial management strategy

The Municipality intends to improve its financial viability by improving financial management. This will include instituting the required Generally Accepted Municipal Accounting Practices, which will embody sound revenue generation, collection and management policies both for the rural and urban areas. The financial management strategy also entails establishing a strategic framework for financial viability. The strategic framework for financial viability will undertake the following in respect of urban and rural areas:

- The strategic financial management framework for urban areas will include improving the implementation of the credit control and debt collection policy; revaluation of properties; tarring of streets and increasing rates; developing low and medium to upper income houses; developing a strategy for collection of rates from low-cost houses; developing rental accommodation; developing a commercial centre; developing a lease-holding policy and reviewing the current lease-contracts to make them more market related; developing a policy on free basic services; developing a policy for providing incentives for well-serviced and up-to-date accounts; introducing parking meters in the main and key streets; developing a vehicle testing station; to ensure sustainability of the Traffic Department by establishing a management operation system; upgrading the stadium; outsourcing the management of the gymnasium and

collecting rents from its usage; developing by-laws for special rates in respect of sites that remain undeveloped for a specified number of years and introducing a charge for the use of taxi ranks.

- The strategic financial management framework for rural areas will include valuating the billing of all government buildings; providing and charging for municipal services to peri-urban areas; introducing by-laws for use of natural resources such as sand and quarry; introducing rates for all economic activities in rural area; facilitating economic/business development in rural development nodes; introducing a development fund which will establish seed capital for community projects and disaster management; and introducing a flat rate for new site allocation which will be payable to the local municipality (Engcobo Municipality, 2002:103).

Funding is available for most municipal projects except for the tarring of four roads in town, provision of enviro-loos to the mostly rural areas, building five clinics in the wards that lack clinics, establishing the Xuka Rural Economic Development node, vegetable and maize production for the Clarkebury Rural Economic Development Node; and tourism, art, craft and culture development at the Xuka Development Node.

3.4.6. MUNICIPAL DEVELOPMENT PROFILE

The municipal development profile embodies identifying Integrated Development Plan critical issues and establishing a municipal performance management system. The critical issues of the Integrated Development Plan have been identified and the level of Integrated Development Plan implementation is at phase 3. Funding for most projects is secured except for those listed above.

The Municipality is still busy putting in place the required policies, systems and processes to support efficient, effective and economic local government service delivery. An effective municipal organogram has yet to be introduced. A performance management system is to be implemented after the municipality has identified the necessary key performance indicators. The performance management system will

encompass organisational, departmental and individual employee levels (Engcobo Municipality, 2002:119).

At the organisational level, a five-year Integrated Development Plan, to be reviewed annually, has been established. A performance management contract between the municipal manager and the council with clear key performance indicators, deliverables and time frames is to be completed before the end of 2002. The municipality is still establishing performance indicators. Other organisational level performance management frameworks include annual evaluation reports, financial reports and consolidated mid-year progress reports, three-year project business plans related to the Medium Term Expenditure Framework, reviewing mid-year progress reports and holding annual evaluation and planning workshops (Engcobo Municipality, 2002:119).

At the departmental level, three-year business plans and departmental unit performance contracts (between the municipal manager and heads of departments) are to be drawn up. Individual employee performance management will target establishing a performance management policy, job profiles for staff members, performance contracts with senior management staff and personal development plans for individual employees (Engcobo Municipality, 2002:119).

With regard to public participation, the Municipality holds public meetings and these are well attended except that the traditional local authority structures have never attended any meeting. (Giqo, Semi-structured interview. 13th-August. 2002). The local government initiative has been intended to institutionalise public participation in governance. The Municipality should institute the necessary structures to enhance public participation.

3.5. CONCLUSION

Engcobo municipality situated in the rural areas, has inherited huge service backlogs. The municipality lacks access roads in 59 villages, infrastructure is dilapidated, accommodation is meagre and the culture of paying for service provision is non-existent. The area has unexploited resources. These are forestry reserves, tourism resources can be developed by exploiting the Sixholosini Sigidi and Qumanco

waterfalls in the area and the marketing of traditional Xhosa art and crafts. The Municipality boasts Khoisan cultural heritage resources. The area has potential for agriculture and agri-tourism. The Municipality is still instituting the necessary processes, structures and systems for service delivery through its institutional development, financial management, community participation, water and environmental management, local economic development, social development and infrastructural development strategies.

In spite of the identified strategies, local development will be hard to realise because the Municipality currently lacks financial viability to target it. Two out of three local economic clusters lack funding. The economic clusters that lack funding are the rural clusters where 99% of the population resides. The Municipality has service delivery constraints which currently impede efficient service delivery in its area. These are lack of financial viability, lack of a proper HIV/AIDS local strategy, inadequate waste and environment management in the presence of cholera, lack of the necessary institutional skills within the Municipality to foster and drive developmental local government, inadequate infrastructure for prompt service delivery and a need to improve public participation. The Municipality can only ensure service delivery in the area once these constraints are addressed internally. In addition, the Municipality's progress can be constrained by external constraints of ideological contradictions in the governing tri-partite alliance, lack of a common vision and policy process constraints. Although local government legislation and reforms have freed municipalities from many impediments to better delivery, the huge service backlog, infrastructure neglect, lack of integration with other spheres of government, lack of capacity, the impact of HIV/AIDS and the culture of non-payment are still eroding delivery capacity and ability, especially in rural areas.

Chapter 4 will explore the research findings in detail, interpret them further and make recommendations for realising service delivery in Engcobo.

CHAPTER 4

RESEARCH FINDINGS AND RECOMMENDATIONS

4.1. INTRODUCTION

Chapter 2 has established that the traditional bureaucratic context, through which governments are delivering services is prone to constraints that impede efficient, economical and effective public service delivery. Public organisation drawbacks have resulted in state-driven public sector reforms which are being implemented in the developed countries but have yet to be successfully implemented in the developing countries.

In Chapter 3, ethnographic research data of the Engcobo Municipality was provided. It was acknowledged that local government is empowered to access funds and improve efficiency by forming partnerships, align to alternative service delivery mechanisms, to ensure social and economic uplifting of communities, ensure universal access to essential and affordable services, promote public participation, work in partnership with political and administrative structures, and establish the core principles of planning to underpin the notion of developmental local government, provide a framework for local public administration and human resource development, empower the poor, determine and promote tariffs that bear in mind affordability of the community and promote good intergovernmental relations (Municipal Systems Act, 2000, Preamble).

Chapter 3 has however established that Engcobo Municipality is plagued by a lack of financial viability, lack of a proper HIV/AIDS local strategy, inadequate waste and environment management in the presence of cholera, lack of the necessary institutional skills within the Municipality to foster and drive developmental local government, inadequate infrastructure for prompt service delivery and a need to improve public participation. These are typical manifestations of developing country constraints as discussed in Chapter 2. The municipality can only ensure service delivery in the area once these constraints are addressed. The research findings below will serve to quantify the internal constraints, whereafter recommendations are made on how to deal with the constraints.

4.2. RESEARCH FINDINGS

The Municipality is facing huge service backlogs, as became evident in Chapter 3. The area lacks adequate energy supplies, communication facilities, social services, recreation and sports facilities and housing. The absence of modern sustainable methods of agriculture and other means of economic development mean that a sound resource base is missing (Engcobo Municipality, 2002:7-9). It therefore suffers from low financial viability. The resulting high levels of unemployment are exacerbated by high illiteracy rates.

To quantify the above-mentioned backlogs: 59 villages, 8 clinics, 37 schools have no access roads, the majority of the clinics are built of mud structures, have no electricity and water supply, 4 wards do not have any clinics at all, the housing backlog is estimated at 2452 for low-income and 252 for middle-income, roads need repair, drainage and storm water drainage is either non-existent or needs repair (Engcobo Municipality, 2002:8).

The Municipality has been providing meagre services (water sales, sanitation and sewerage and refuse removal) to a few residents. Water is provided to 30% of the residents, 60% of households have no sanitation facilities, sewage and refuse removal extends to only 1% of the population (Engcobo Municipality, 2002:7-9). Extending these services to all town residents and peri-urban residents will put enormous financial pressure on the municipality. This is more so because the services of sanitation and sewerage are not profit-generating and cannot be outsourced, while the lack of these services can result in environmental hazards. In addition to extending these services, the Municipality is expected to take on new service delivery initiatives.

The Municipality currently deals inadequately with waste and environment management, especially in the presence of cholera. 70% of the rural areas rely on rivers for drinking water, 60% of the households lack sanitation facilities, but the planned enviro-loos cannot be built because of a lack of funding (Engcobo Municipality, 2002:103-111).

One of the biggest challenges facing the Municipality is HIV/AIDS. The Municipality however lacks a proper local HIV/AIDS strategy. The social development strategy identified by the Municipality therefore rightly includes that it should liaise with the Departments of Social Services and Education to establish HIV/AIDS care centres and orphanages (Engcobo Municipality, 2002:60-67).

Even where funding is provided to improve the fate of the poor, such as the grants to finance free basic water, the Municipality lacks the necessary institutional skills to foster and drive developmental local government. The administrative structure currently does not have the necessary middle management positions to foster local economic development. No performance measures have yet been developed (Engcobo Municipality, 2002:96). The required service delivery structures, systems and competitive delivery processes have completely broken down in Engcobo. These include financial management requirements, institutional structures and competitive service delivery mechanisms. The process of instituting the requirements for developmental local government will take a long time. Lack of these processes, structures and systems also delayed the implementation of the Integrated Development Plan within the required time frames (Giqo, 2002).

Public participation, which has to be institutionalised in governance in South Africa, must still be fully implemented in the area. The Municipality has no complaints register, no public access to council meetings and cannot provide the minutes of council meetings. (Engcobo Municipality, 2002:120). The traditional authority structures are also not participating in municipal governance (Giqo, 2002).

Most of the development projects identified in the IDP are rural development projects. Inability to implement the IDP means that most of the municipal residents cannot realise self-development, the underlying principle of developmental local development (Engcobo Municipality, 2002:103-111). Serious implications for the municipal area are that, unless the rural residents are assisted to develop, the municipal area will remain undeveloped with serious issues such as unemployment and high illiteracy rates.

Potential conflict within local government is likely to emanate from the exercise of political and administrative powers. Conflict is also emanating from sectoral development initiatives which could be perceived by the sector agencies as encroaching on their power. Sectoral development emanating conflict is evident from sector departments not co-operating with the Municipality in the Integrated Development Planning process (Giqo, 2002).

4.3. RECOMMENDATIONS

The recommendations below focus on institutional development and capacity building, improving the financial viability of the Municipality, harnessing profit in service delivery, public participation, partnership arrangements, dealing with HIV/AIDS, infrastructure development as well as waste and environmental management.

4.3.1. INSTITUTIONAL DEVELOPMENT AND CAPACITY BUILDING

With regard to capacity building of the municipal employees, a competency audit should be done and municipal employees with competency shortfalls should be given access to skills development courses. The apartheid legacy has left a huge skills gap in the historically disadvantaged communities. Qualifications alone are not enough. Municipal employees, especially those in strategic positions, should have the capacity to deliver the designated services. The skills gap is evident from the work pressure on the Chief Executive Officer which cannot be alleviated by other employees (Giqo, 2002). The Municipality is likely to face problems from functional illiteracy levels of elected councillors. The Municipality has foreseen this and intends to undertake capacity building of the elected councillors.

Capacity building in Engcobo Municipality should be attempted to facilitate developmental local government. Capacity building should focus on employees, citizenry and area institutions. The national government is providing funding for capacity building and the Municipality has access these funds.

According to Mbigi (2000:81), South Africa was ranked 44th out of 46 countries by the World Economic Forum in the annual survey World Competitiveness Report, for the 10 years from 1987-1997. The survey ranked the attitudes-skills. Work

transformation should be undertaken to promote competitive work, product and technology development and management. "This involves development and implementation of best operating practices through reliable and comprehensive benchmarking systems. The municipality should benchmark its service delivery and innovativeness to best or some well performing practice." (Mbigi, 2000:26).

Municipal employees are able to attempt self-improvement and development with the assistance of the Municipality if they understand the national and global economics and how global competition impacts on the survival of the municipality. A change in the mindsets of underdeveloped citizenry and employees is essential for developmental local government. Employee and resident creativity and innovation should be triggered. The Municipality should implement a process improvement and innovation system, undertake design and development of work teams, develop innovative products, practices and systems by redefining the competitive rules and develop and implement high performance systems (Mbigi, 2000:72).

The challenge facing developmental Engcobo local government is to develop and retain human capital in Engcobo. Public service delivery is a human-capital-intensive operation. "People are not a cost but a competitive asset" (Mbigi, 2000:81). Although effective knowledge and acquisition of key success factors such as the market, technology and equipment contribute to competitive advantage, these can be acquired by the competitors as well, but collective human capital attitudes and skills development and management levers more sustainable competitive advantage (Mbigi, 2000:81-82).

Social and political transformation can be realised by harnessing social capital, until recently an unharnessed opportunity for organisational development. Mbigi (2000:93), advocates that the "African Renaissance should focus on social capital mobilisation." Organisational transformation should then focus on unlearning what the *status quo*. Social and political transformation is not the responsibility of Engcobo Municipality alone. This transformation transcends beyond local to national and global arenas. But Engcobo Municipality can concentrate on the local economy. Social and political transformation involves introducing participative governance systems to create a fair organisation, society should be developed, information,

knowledge and skills developed for strategic thinking and action, shared strategic performance agenda setting negotiations should be undertaken, and shared vision and values developed from a global, national and local perspective. Transformation should focus on realising the optimum potential of the *status quo*, and “development and optimisation of mature products, markets, systems and technologies” (Mbigi, 2000:77).

Mbigi (2000:83-84), recommends the following collective learning strategies, which should be facilitated on a continuous basis at the individual, group/team, organisational and inter-organisational levels of learning to facilitate continuous organisational development and learning:

- Reflective action learning - learning by doing. The Municipality wants to attempt learning by doing in its skills transfer initiative which would see a person with the skills lacking in the Municipality, attached to the Municipality for some time.
- Collective learning efforts, which involve improving management transformation and learning, facilitate benchmarking transformation and learning to realise paradigm transformation and learning should be facilitated.
- Knowledge and skills sharing in the work place and outside of the work place of operational, technical, best operating and core competency skills and processes (public knowledge, industry-specific knowledge and company-specific knowledge), trade learning and testing and multi-skilling under the guidance of line management. The Municipality would like to attempt skills sharing but has a skills gap in the necessary skills to be transferred.
- The social process of learning should be harnessed.
- Adaptive learning by sharing the vision which bears in mind the hostile global competition and continual changes should be undertaken. Public sector organisation employees do not usually share the vision of their organisations because they do not relate the survival of their organisations to the execution of their duties.
- Learning should be task-focused, incremental, benchmarked against best practice and should be self-motivated and self-directed. The role of the Municipality is facilitating as no institution and person can develop another but

people have to be encouraged to develop themselves. Both the processes and the content of the transformation are crucial in this regard.

- Inflexible labour policies should be improved and competitiveness sought. Engcobo Municipality should attempt to address lack of skills by focusing on organisational development and learning. The Municipality should attempt to attain service excellence by developing user-friendly service management systems and improving customer relations, service marketing and utilisation, performance measurement of service excellence in terms of physical attractiveness, reliability, responsiveness and assurance, becoming a time-based organisation by monitoring service provision speed, availability and accessibility and proper internal and external co-ordination is essential (Mbigi, 2000:103-111).

4.3.2. IMPROVING THE FINANCIAL VIABILITY OF THE MUNICIPALITY

The municipality should urgently implement proper financial management policies in accordance with the Generally Accepted Municipal Accounting Practice as planned in the financial management strategy (Engcobo Municipality, 2002:103). A qualified and registered accountant is required to do this. Delay in implementing financial policies will grossly impact on service delivery in the Municipality. Financial activities must have the intent to improve debt and credit management of the municipality, improve the capacity of the finance department and institute the required policies, systems, processes and structures for proper financial management of the municipality. Human resource development and training in technical skills should be considered to offer the administrative support services required for all departments, but specifically Finance.

The Municipality is likely to experience problems in the implementation of its strategic framework for financial viability of the rural areas. The Municipality to date does not have a working relationship with rural authority structures. It will be very difficult to enforce collection of any fees in the rural areas, especially fees relating to land and natural resource usage. The Municipality should try and avoid collection of fees that would result into a showdown between the municipal structures, rural structures and rural ratepayers. It should rather try to sell development initiatives to rural areas that will target rural economic development. This can be done through the attraction of

private partners to form public-private partners and through the formation of community partnerships (CBO's).

4.3.3. HARNESSING PROFIT IN SERVICE DELIVERY

Profit in a public service delivery context refers to value derived from the service by users, taxpayers and government itself. People can only attempt to develop themselves if they relate their organisation's ultimate survival and remuneration to gaining competitive advantage over their global and national competitors. People should face this competitive challenge by relating their survival to gain derived from the services and goods they deliver. "Employees also need to understand their role as wealth creators. This will then become the basis of creating not only a vision for a community of prosperity, but also thriving, enterprising community governed by the ubuntu values of sharing, cooperation, interdependence and solidarity which are essential in the process of creating intellectual, financial and social capital" (Mbigi, 2000:85).

4.3.4. PUBLIC PARTICIPATION

The Municipality should over time institutionalise public participation. Institutionalising public participation should involve granting the public access to council meetings, providing the minutes of council meetings, and opening a complaints register. The public cannot participate in each and every activity of the Municipality as this could cause bureaucratic paralysis. Public participation levels should nevertheless be high for effective governance. Public participation is the cornerstone of democracy.

4.3.5. PARTNERSHIP ARRANGEMENTS

The Municipality needs to attract private partners and form partnerships with the communities it is serving, where no funding is forthcoming and where in-house capacity is lacking. Assisting rural residents to develop implies that the Municipality has to attract private partners for rural development projects and form community partnerships. This cannot occur unless the mind sets of the rural residents change from passive dependence to active interdependence (Engcobo Municipality, 2002:103-111). The Municipality can only realise developmental local government once the above-mentioned constraints it faces are addressed. Recommendations are made below made for addressing these constraints.

4.3.6. DEALING WITH HIV/AIDS

The current strategic planning for a shelter for HIV/AIDS-infected people excludes adults. A shelter centre for adults infected by HIV/AIDS and who are rejected by family or whose families do not have any means of caring for them should be developed. Some shelter centres for HIV/AIDS-infected people in Gauteng have admitted to picking up HIV/AIDS adults from dustbins where they go to forage for food after being abandoned by their families. These people, if treated, could again become the economically-active citizens they once were. Countries, such as Uganda, with HIV/AIDS programmes are utilising HIV/AIDS-infected adults to work in HIV/AIDS programmes for both adults and children and to run HIV/AIDS awareness and education programmes in schools, communities and hospitals. The government in South Africa intends to give grants to HIV/AIDS-infected people who no longer have the capacity to work. The Municipality can access these funds and care for HIV/AIDS-infected people, both adults and children, in safe shelters.

4.3.7. INFRASTRUCTURE DEVELOPMENT

Rural areas that rely on natural sources of water and those that do not have any water sources, some with such low water tables that water is a scarcity, should be provided with boreholes. Access roads, community facilities and economic infrastructure must be developed in such a manner that as much work as possible is done by local residents. This will mean that infrastructure is developed and jobs are provided.

4.3.8. WASTE AND ENVIRONMENTAL MANAGEMENT

The strategy for addressing lack of basic sanitation in 66% of households should be strengthened. The Municipality has the authority to ensure that before any building works commence, that the builders themselves have sanitation to avoid continuous pollution of the environment. Neglect of basic sanitation facilities in the area is a serious threat to the environment and to the health of inhabitants. Cholera is a catastrophe in the area. The establishment of wall-to-wall municipalities ensures that a municipality can enforce basic sanitation facilities as required by law. Education in health habits can help reduce myths attached to the use of toilets and improve public health habits.

The Municipality should try to attract industry that assist with cleaning up the environment and enhance economic activity, such as recycling plants for glass, paper, plastics and steel which litter the environment. Recycling industries do not need a raw material base within the municipal area but this would develop with the opening of the industry. Such a plant would also attract raw materials from nearby areas.

4.4. CONCLUSION

Although local government has been empowered to access funds and align to Alternative Service Delivery mechanisms, Engcobo Municipality is plagued by serious constraints that impede timely and efficient service delivery. These impediments to service delivery include service backlogs, poor service rendering, inadequately dealing with environmental pollution and decline and inadequately dealing with HIV/AIDS. This is partly caused by a lack of funds resulting from widespread poverty, but also resulting from a lack of institutional skills and lack of public involvement and interdependence in service delivery.

The recommendations therefore focused on institutional development and capacity building, improving the financial viability of the Municipality, harnessing profit in service delivery, public participation, partnership arrangements, dealing with HIV/AIDS, infrastructure development as well as waste and environmental management.

Democratic local government in South Africa is new and this research cannot objectively conclude as to whether, given time, the designated services will be delivered adequately. Further research is recommended in this regard because Engcobo Municipality is still instituting the structures, processes and systems for efficient, effective and economic service delivery. Triggering local economic development is a long-term aspect and will not be realisable within the first term of Engcobo Municipality.

Chapter 5 will summarise and conclude the assignment.

CHAPTER 5

CONCLUSION

5.1. SUMMARY

Chapter 2 was dedicated to exploring external and internal issues affecting public service delivery in general, and then concluded with briefly exploring the local government and rural development realities in South Africa. It was found that the developmental divide between developed and developing countries is increasing for various reasons, but also because the public management reforms that have enhanced performance in developed countries could not do the same in developing countries because of overwhelming constraints. These constraints include vague definitions of what performance entails in developing context, unresponsive organisational cultures, unclear performance indicators, a resilient ethos of governance, unfavourable organisational factors, incorrect use of resources and unsuccessful policy initiatives.

From a governance perspective, the literature review has shown that ideological contradictions, lack of a common vision and policy process constraints are also hampering South African public sector delivery processes. Although local government legislation and reforms have freed municipalities from many impediments to better delivery, the huge service backlog, infrastructure neglect, lack of integration with other spheres of government, lack of capacity, the impact of HIV/AIDS and the culture of non-payment are still eroding that ability, especially in rural areas. In addition, rural areas have even greater levels of underdevelopment, poverty and service backlogs and consequently municipal structures in deep rural areas carry less legitimacy.

Engcobo Municipality is situated in the former Transkei, an area so deprived of social and other services that service backlogs are enormous. The town used to be part of South Africa before 1976, but currently its infrastructure is dilapidated and municipal management has been rendered helpless through a lack of resources caused by many years of service payment boycotts. Chapter 3 provided data and information about the task environment of Engcobo Municipality, about the Municipality itself, and

about planning for service delivery in the Municipality. It was acknowledged that local government in South Africa is empowered to access funds and improve efficiency by forming partnerships, align to alternative service delivery mechanisms, to ensure social and economic uplifting of communities, to ensure universal access to essential and affordable services, to promote public participation, to work in partnership with political and administrative structures, and to establish the core principles of planning to underpin the notion of developmental local government, provide a framework for local public administration and human resource development, empower the poor, determine and promote tariffs that bear in mind affordability of the community and promote good intergovernmental relations (Municipal Systems Act, 2000, Preamble).

Chapter 3 has however established that Engcobo Municipality is plagued by a lack of financial viability, lack of a proper local HIV/AIDS strategy, inadequate waste and environment management in the presence of cholera, lack of the necessary institutional skills within the Municipality to foster and drive developmental local government, inadequate infrastructure for prompt service delivery and a need to improve public participation. These are typical manifestations of developing country constraints as discussed in Chapter 2. The Municipality can only ensure service delivery in the area once these constraints are addressed.

The recommendations in Chapter 4 focussed on institutional development and capacity building, improving the financial viability of the municipality, harnessing profit in service delivery, public participation, partnership arrangements, dealing with HIV/AIDS, infrastructure development as well as waste and environmental management.

5.2. CONCLUSION

Rural municipalities in South Africa, including Engcobo Municipality, will not be able to deliver the services designated for local government in the short-term. Only further research can establish whether given reasonable time, the Municipality can fulfil its role of developmental local government. The Municipality faces many constraints as explored in this research. This can result in a policy overload for Engcobo

Municipality. It does not have the necessary capacity to overcome the impediments and to deliver the services designated for local government in South Africa. Capacity must be built, but also enhanced through the promotion of public participation and partnership arrangements with civil society. It is only through interdependence that expectations will be met.

5.3. RECOMMENDATION FOR FURTHER RESEARCH

Further research on rural local government in South Africa, as to whether enough capacity to delivery the designated services and foster local economic development can be built, should be conducted. Cause for research also emanates from the nature of the expanded role of local government, the developmental local government perspective, which is a deviation from traditional roles of local government. Further research is also recommended regarding the harnessing of the profit motive in the public service delivery in order to enhance competitiveness in the interest of the communities being served. Regardless of whether the organisation is public or private, optimal utilisation of scarce resources, both tangible (human capital, financial, raw materials, land, technology) and intangible (information and knowledge, performance and competence) to realise the organisational objectives and goals, is essential to ensure global competitiveness.

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